

CENTRAL COMMUNITY SCHOOL SYSTEM

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2024

CENTRAL, LOUISIANA

CENTRAL COMMUNITY SCHOOL SYSTEM

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of the
Central Community School System
Central, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Community School System, Central, Louisiana (the School System) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Community School System as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School System 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

The School System's 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 System'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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability by plan, schedule of contributions by plan, and the schedule of changes in the school system's total OPEB liability and related ratios on pages 4 through 10 and 59 through 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School System's basic financial statements. The schedules required by state law (Schedule 4 and Schedule 5), the nonmajor governmental funds combining statements (Schedule 6 and Schedule 7), each nonmajor special revenue fund budgetary comparison statement (Schedule 8-1 through Schedule 8-4), the schedule of compensation paid to board members (Schedule 9), and the schedule of compensation, benefits, and other payments to agency head (Schedule 10) are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards (Schedule 11) as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The nonmajor governmental funds combining statements (Schedule 6 and Schedule 7), each nonmajor special revenue fund budgetary comparison statement (Schedule 8-1 through Schedule 8-4), the schedule of compensation paid to board members (Schedule 9), the schedule of compensation, benefits, and other payments to agency head (Schedule 10), and the schedule of expenditures of federal awards (Schedule 11) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental funds combining statements (Schedule 6 and Schedule 7), each nonmajor special revenue fund budgetary comparison statement (Schedule 8-1 through Schedule 8-4), the schedule of compensation paid to board members (Schedule 9), the schedule of compensation, benefits, and other payments to agency head (Schedule 10), and the schedule of expenditures of federal awards (Schedule 11) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedules required by state law (Schedule 4 and Schedule 5) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024, on our consideration of the School System'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 System'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 System's internal control over financial reporting and compliance.

Respectfully submitted,
Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 31, 2024

CENTRAL COMMUNITY SCHOOL SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

The Management's Discussion and Analysis (MD&A) of the Central Community School System (CCSS) provides an overview and overall review of the School System's financial activities for the fiscal year ended June 30, 2024. The intent of the MD&A is to look in layman's terms at the School System's financial performance as a whole. It should, therefore, be read in conjunction with the School System's Annual Financial Statements and the notes thereto.

The MD&A is a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Financial Highlights

Key financial highlights for the 2023-2024 fiscal years include the following:

- ❖ Net position is a surplus of \$31,331,782 for the year ended June 30, 2024, which is an increase of \$10,263,033 from the prior year surplus.
- ❖ Total assets increased by \$2,859,608 the breakdown can be seen below:

	June 30, 2024	June 30, 2023	Amount Increase (Decrease)
Cash and Cash Equivalents	\$ 9,413,228	\$ 8,910,853	\$ 502,375
Investments	10,250,826	10,097,325	153,501
Receivables	4,214,207	2,919,428	1,294,779
Inventory	113,551	86,726	26,825
Restricted Assets:			
Cash	6,965,549	6,381,720	583,829
Capital Assets:			
Land and Construction in Progress	5,405,763	3,100,699	2,305,064
Other Capital Asset (Net of Depreciation)	98,575,837	100,521,517	(1,945,680)
Lease Assets (Net of Amortization)	505,090	566,175	(61,085)
Total Assets	<u>\$135,444,051</u>	<u>\$132,584,443</u>	<u>\$ 2,859,608</u>

CENTRAL COMMUNITY SCHOOL SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2024

- ❖ Total liabilities decreased \$8,841,822 attributed mostly to payments on bonded debt and a decrease in Net Pension Liability as shown in the following items:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Amount Increase (Decrease)</u>
Accounts, Salaries, and Other Payables	\$ 5,852,451	\$ 3,934,119	\$ 1,918,332
Interest Payable	514,166	565,009	(50,843)
Long-Term Liabilities:			
Due Within One Year	5,927,806	5,774,130	153,676
Due in More than One Year	60,557,774	67,767,005	(7,209,231)
Net Pension Liability	<u>43,710,312</u>	<u>47,364,068</u>	<u>(3,653,756)</u>
Total Liabilities	<u>\$116,562,509</u>	<u>\$125,404,331</u>	<u>\$ (8,841,822)</u>

- ❖ Total revenues increased by \$84,995 from fiscal year 2023 to fiscal year 2024. Primary increases and decreases are discussed below:

- Property taxes levied increased \$380,932.
- Sales and use tax revenue increased by \$636,665.
- The largest revenue source is the Minimum Foundation Program (MFP) distribution from the State, amounting to \$34,256,038. This amount has decreased from the prior year by the amount of \$289,841. The amount of funds received through the MFP is directly related to the school systems enrollment figures. Each student is allocated a certain number of dollars. The school systems enrollment continues to grow, because of this constant growth the severity of the state budget cuts were keep to a minimum.
- Property taxes were levied in the amount of \$5,121,616 by the school system to pay for the debt service requirements relating to the issuance of general obligation bonds. This is an increase of \$150,235 above the 2023 assessment.
- In 2010, half cents sales tax was levied by the school system to pay for the debt service requirements relating to the issuance of sales tax bonds. This half cents sales tax resulted in sales taxes in the amount of \$2,771,666 which is an increase of \$127,333 from 2023.
- An additional revenue source recorded for 2024 are the Restricted Grants-in-aid in the amount of \$2,126,315 from State agencies for Capital Projects and \$1,033,449 for employee supplemental pay given by the state in the 2023 Regular Legislative Session.
- Federal revenue sources have decreased from 2023 by \$2,009,681 mostly due to the depletion of ESSER funds.

CENTRAL COMMUNITY SCHOOL SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2024

- ❖ Total Governmental Fund Expenditures have decreased in the amount \$9,579,122 from fiscal year 2023 to fiscal year 2024. Primary increases and decreases are discussed below:
 - Instructional costs increased by \$1,195,814.
 - Support Services increased by \$583,989.
 - Central Services decreased by \$37,547.
 - Non-Instructional (Child Nutrition) increased by \$70,056.
 - Capital Outlay decreased by \$12,103,234.
 - Debt Services increased by \$92,088.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. Beginning on page 11, the "Government-Wide Financial Statements" Section, consisting of the Statement of Net Position and the Statement of Activities, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2023/2024 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

By showing the change in net assets for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The changes, which are discussed in this MD&A, may be financial or non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include increases in or erosion of the property or sales tax base within the school district, student enrollment, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in-depth reporting of the School Board's financial position and the results of operations, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 13. The Fund Financial Statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as resources available for spending in future periods. This is referred to as the current resource measurement focus.

Fund Financial Statements also provide more in-depth data on the School Board's most significant fund, its General Fund. This fund is considered a "major fund" under GASB Statement No. 34. The relationship between governmental *activities* reported in the Basic Financial Statements and the governmental *funds* reported in the Fund Financial Statements are reconciled in the financial statements (See Statements D and F).

CENTRAL COMMUNITY SCHOOL SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2024

GOVERNMENTAL ACTIVITIES

As reported in in the *Statement of Activities* on page 12, the cost of the School Board's governmental activities for the year ended June 30, 2024 was \$66,303,166. However, not all of this cost was borne by the taxpayers of the Central Community School District. Of this amount, \$4,377,999 was paid by those who used or benefited from the services rendered (e.g., charges for school lunches and summer school tuition) and \$7,734,511 was paid through various federal and state grants. Consequently, the net cost of \$52,014,341 was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2024. The "net cost" presentation allows taxpayers to determine the remaining cost of the various categories which were borne by them, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

TABLE I
Total Cost and Net Cost of Governmental Activities
For the Years Ended June 30, 2024 and 2023

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:				
Regular Programs	\$ 19,565,731	\$ 17,582,710	\$ 19,746,876	\$ 17,884,574
Special Education Programs	5,867,195	4,740,788	5,619,509	4,511,222
Other Instructional Programs	6,500,053	2,857,590	6,821,581	3,760,814
Support Services:				
Pupil Support	2,763,702	2,142,291	2,789,736	2,069,829
Instructional Staff Support	2,299,670	1,388,023	2,410,063	1,408,545
General and School Administratio	9,604,955	9,363,499	7,044,811	6,631,423
Business Services	721,405	602,070	713,324	584,496
Plant Services	6,967,962	4,535,643	6,455,294	2,943,975
Student Transportation Services	5,558,688	5,558,688	5,693,814	5,693,814
Enterprise Operations	10,500	10,500	-	-
Central Services	1,784,383	1,525,346	1,855,233	1,584,414
Food Services	3,049,304	97,575	3,068,888	(72,095)
Interest on Long-Term Debt	1,609,618	1,609,618	1,806,324	1,806,324
Totals	\$ 66,303,166	\$ 52,014,341	\$ 64,025,453	\$ 48,807,335

CENTRAL COMMUNITY SCHOOL SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2024

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund basis financial statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2024, its combined fund balance is \$24,955,906 as compared to its combined fund balance of \$24,313,014 as of June 30, 2023, an increase of \$642,892. The increase was a combination of the following: a surplus of the General Fund of \$2,932,405 with an overall decrease of \$1,217,186 transferred out to be spent on capital projects, a decrease in the debt service fund balance of \$153,566, a decrease in the capital projects - proposition No.1 fund balance of \$531,294, and a decrease in Nonmajor Governmental Funds such as Child Nutrition and others fund balance in the amount of \$387,467.

The General Fund, the main operational arm of the School Board, saw its total fund balance increase by \$2,932,405. While General Fund Revenues increased by \$1,890,733, General Fund Expenditures increased by \$ 3,581,093 and Other Financing Sources (Uses) (Transfers to Other Funds) decreased by \$1,768,263.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on June 12, 2023.

A schedule showing the School Board's General Fund's original and final budget compared with actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year \$5,390,477 more than had been budgeted on the final amendment.

CAPITAL ASSETS AND DEBT

Capital Assets. At June 30, 2024, the Central Community School System had a \$104,486,690 investment in capital assets net of accumulated depreciation. This amount was made up of land, buildings and improvements, and furniture and equipment. The capital assets balance is a combinations of the assets transferred from the East Baton Rouge Parish School System on July 1, 2007 and the new school buildings.

Long-Term Debt. At June 30, 2024, the School System had outstanding bonded indebtedness in the amount of \$55,269,009.

CENTRAL COMMUNITY SCHOOL SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2024

In accordance with Louisiana Revised Statute 39:562, the School System is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of 35% of the assessed value of taxable property. At June 30, 2024, the statutory limit is approximately \$101,200,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$40,435,000.

Other long-term obligations include leases, compensated absences and accumulated Unfunded Other Postemployment Benefits Payable. At June 30, 2024, this balance was \$11,216,571.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Central Community School System is primarily described as a rural School district and the majority of its population is from within the boundaries of the City of Central which has a population of approximately 28,000. The Central Community School System has seen a dramatic increase in student enrollment since the system's inception. Student enrollment on October 1, 2023 was 4,772 up from approximately 2,700 when the school system began in 2007, but down by 90 from 2022. The Central Community School System consists of three elementary schools, one middle school and one high school. In 2009 three tax propositions were passed to address existing schools life safety codes and to build two new schools. The three taxes are a half cent sales tax, a 20 year 9.25 mill tax, and a 20 year 14.4 mill tax. In November of 2013 the voters approved CCSS to borrow an additional \$13.1 million and repay the bonds by extending property tax for five years. CCSS has built a 9th grade academy for \$5.82 mil, completed old middle school renovations and asbestos removal for \$1.5 mil, completed a technology update for state mandated assessments for \$2.0 million, repaired the Central High parking lot for \$1.8 mil, and installed lighting for the Central baseball & softball fields for \$500K.

In August 2016, the community of Central experienced a 500-year flood event and received over 30" of rain in less than 72 hours. This event caused 80% of the community to flood, including several buildings owned or leased by Central Community School System. Tanglewood Elementary School (a CCSS school) suffered the largest loss with 2' of water. CCSS had adequate fund balance and was able to begin recovery immediately. Tanglewood Elementary was re-opened in January 2017. CCSS has been reimbursed by FEMA for qualifying expenses.

In the fall of 2020 voter's approved to renew the 23.65 mills, which allowed us to borrow \$23 Million dollars to remodel Central High School. As a result of our Standard and Poor's bond rating are currently "AA" for General Obligation Bonds and "AA-" for Sales Tax Bonds as well as our history of debt repayment, a Premium of \$3,943,823 was earned in benefit to the taxpayers to use toward the remodel as well. The renovation of Central High School includes a complete interior renovation as well as the addition of new athletic locker rooms, a second gymnasium, and a new commons area. Renovations were completed in fall 2022.

The budget outlook for the 2024-2025 year is strong for the Central Community School System. Expenditures will increase by an estimated net \$435,000 after the board voted to increase salaries across the system. Salaries were increased by \$1,400,000 against a decrease in retirement expense of \$375,000 and by eliminating the end of year retention supplement of \$590,000.

CENTRAL COMMUNITY SCHOOL SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2024

On the revenue side, the CCSS has seen gains in regular sales tax revenues. For the 2019-2020 year, we saw just over 4% increase in sales tax revenue as compared to 2018-2019. For the 2020-2021 year, we saw a 22% increase in sales tax revenue as compared to 2019-2020. For the 2021-2022 year, we saw a more modest increase of 10% which is trending down to be more in line with our historical average. The 2022-2023 year the sales tax revenues saw an uptick with a 6.5% increase. For the upcoming 2024-2025 year, we began the year with a budget of no increase in revenues, but will revise it in the spring to adjust to the trend from the first half of the year.

CONTACTING THE CENTRAL COMMUNITY SCHOOL SYSTEM'S MANAGEMENT

While this report is designed to provide full and complete disclosure of the financial conditions and operations of the Central Community School System, citizens' groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Mrs. Barbra Guyon, Chief Financial Officer, at the Central Community School System, 11576 Sullivan Road, City of Central, Louisiana 70818, or by calling 225-262-1919, during regular business hours, Monday through Friday, 8:00 a.m. to 4:30 p.m., central time. Mrs. Barbra Guyon's email address is bguyon@centralcss.org

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CENTRAL COMMUNITY SCHOOL SYSTEM

STATEMENT OF NET POSITION

JUNE 30, 2024

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

ASSETS

	Governmental Activities	
	2024	2023
Cash and Cash Equivalents	\$ 9,413,228	\$ 8,910,853
Investments	10,250,826	10,097,325
Receivables	4,214,207	2,919,513
Inventory	113,551	86,726
Restricted Assets:		
Cash	6,965,549	6,381,720
Capital Assets:		
Land and Construction in Progress	5,405,763	3,100,699
Other Capital Assets (Net of Accumulated Depreciation)	98,575,837	100,521,517
Lease Assets (Net of Accumulated Amortization)	505,090	566,175
Total Assets	135,444,051	132,584,528

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Refunding	1,732,674	1,895,973
Deferred Outflows - Related to Pension:	14,626,545	14,657,964
Deferred Outflows - Related to Post-Employment Benefits Other Than Pensions	320,405	688,755
Total Deferred Outflows	16,679,624	17,242,692

LIABILITIES

Accounts, Salaries, and Other Payables	5,852,451	3,934,119
Interest Payable	514,166	565,009
Long-Term Liabilities:		
Due Within One Year	5,927,806	5,774,130
Due in More than One Year	60,557,774	67,767,005
Net Pension Liability	43,710,312	47,364,068
Total Liabilities	116,562,509	125,404,331

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Related to Pension:	2,591,101	1,396,302
Deferred Inflows - Related to Post-Employment Benefits Other Than Pensions	1,638,283	1,957,838
Total Deferred Inflows	4,229,384	3,354,140

NET POSITION

Net Investment in Capital Assets	50,222,958	45,205,314
Restricted for:		
Capital Projects	413,152	2,449,714
Student Activities	1,456,947	1,363,597
Debt Service	2,703,167	3,177,086
Unrestricted	(23,464,442)	(31,126,962)
Total Net Position	\$ 31,331,782	\$ 21,068,749

The notes to the financial statements are an integral part of this statement.

CENTRAL COMMUNITY SCHOOL SYSTEM

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

					Total Governmental Activities - Net (Expense) Revenues and Changes in Net Position 2024	Total Governmental Activities - Net (Expense) Revenues and Changes in Net Position 2023
Program Revenues						
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
FUNCTIONS/PROGRAMS						
Governmental Activities:						
Instruction:						
Regular Programs	\$ 19,565,731	\$ 1,569,888	\$ 413,133	\$ -	\$ (17,582,710)	\$ (17,884,574)
Special Education Programs	5,867,195	654,828	471,579	-	(4,740,788)	(4,511,222)
Vocational Programs	1,694,013	6,033	-	-	(1,687,980)	(1,670,639)
Other Programs	3,619,517	1,209,751	107,742	-	(2,302,024)	(2,147,186)
Special Programs	1,186,523	-	2,318,937	-	1,132,414	57,011
Support Services:						
Pupil Support	2,763,702	1,697	619,714	-	(2,142,291)	(2,069,829)
Instructional Staff Support	2,299,670	63,194	798,453	50,000	(1,388,023)	(1,408,545)
General Administration	6,704,740	-	-	-	(6,704,740)	(4,132,107)
School Administration	2,900,215	131,745	109,711	-	(2,658,759)	(2,499,316)
Business Services	721,405	-	119,335	-	(602,070)	(584,496)
Plant Services	6,967,962	-	306,004	2,126,315	(4,535,643)	(2,943,975)
Student Transportation Services	5,558,688	-	-	-	(5,558,688)	(5,693,814)
Enterprise Operations	10,500	-	-	-	(10,500)	-
Central Services	1,784,383	-	259,037	-	(1,525,346)	(1,584,414)
Food Services	3,049,304	740,863	2,210,866	-	(97,575)	72,095
Interest on Long-Term Debt	1,609,618	-	-	-	(1,609,618)	(1,806,324)
Total Governmental Activities	\$ 66,303,166	\$ 4,377,999	\$ 7,734,511	\$ 2,176,315	(52,014,341)	(48,807,335)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					7,889,327	7,658,630
Property Taxes, Levied for Debt Services					5,121,616	4,971,381
Sales and Use Taxes, Levied for General Purposes					11,086,662	10,577,330
Sales and Use Taxes, Levied for Debt Services					2,771,666	2,644,333
Grants and Contributions not Restricted to Specific Purposes:						
Minimum Foundation Program					33,568,665	33,863,210
Interest and Investment Earnings					715,318	451,349
Miscellaneous					1,095,400	1,125,039
Total General Revenues					62,277,374	61,291,272
Change in Net Position					10,263,033	12,483,937
Net Position - Beginning of Year					21,068,749	8,584,812
Net Position - End of Year					\$ 31,331,782	\$ 21,068,749

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CENTRAL COMMUNITY SCHOOL SYSTEM

BALANCE SHEET
GOVERNMENTAL FUNDSJUNE 30, 2024
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

	General Fund	Debt Service Fund General Obligation Bonds	Capital Projects Fund Proposition No. 1	Nonmajor Governmental Funds	Total Governmental Funds	
					2024	2023
ASSETS						
Cash and Cash Equivalents	\$ 5,683,362	\$ -	\$ 1,230,401	\$ 2,499,465	\$ 9,413,228	\$ 8,910,853
Investments	9,970,520	-	-	280,306	10,250,826	10,097,325
Receivables	1,645,236	3,430	1,315,964	1,249,577	4,214,207	2,919,513
Inventory	-	-	-	113,551	113,551	86,726
Due from Other Funds	5,214,785	-	-	138,093	5,352,878	4,191,106
Restricted Assets:						
Cash and Cash Equivalents	-	4,270,314	-	2,695,235	6,965,549	6,381,720
Total Assets	\$ 22,513,903	\$ 4,273,744	\$ 2,546,365	\$ 6,976,227	\$ 36,310,239	\$ 32,587,243
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts, Salaries and Other Payables	\$ 5,224,361	\$ -	\$ 494,362	\$ 133,728	\$ 5,852,451	\$ 3,934,119
Due to Other Funds	-	1,522,725	9,968	3,820,185	5,352,878	4,191,106
Total Liabilities	5,224,361	1,522,725	504,330	3,953,913	11,205,329	8,125,225
Deferred Inflows of Resources:						
Deferred Inflows of Resources-						
Unavailable Intergovernmental Revenues	-	-	-	149,004	149,004	149,004
Fund Balances:						
Nonspendable:						
Inventory	-	-	-	113,551	113,551	86,726
Restricted For:						
Capital Projects	-	-	407,288	5,864	413,152	2,449,714
Student Activities	-	-	-	1,456,947	1,456,947	1,363,597
Debt Service	-	2,751,019	-	(47,852)	2,703,167	3,177,086
Committed For:						
Construction Contracts	-	-	1,634,747	-	1,634,747	123,615
Assigned To:						
Capital Projects	-	-	-	-	-	1,083,897
School Lunch Program	-	-	-	1,217,567	1,217,567	1,411,679
Other Post Employment Benefits	2,000,000	-	-	-	2,000,000	2,000,000
Federal Grants	-	-	-	127,048	127,048	126,274
Unassigned	15,289,542	-	-	185	15,289,727	13,574,323
Total Fund Balances	17,289,542	2,751,019	2,042,035	2,873,310	24,955,906	24,313,014
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,513,903	\$ 4,273,744	\$ 2,546,365	\$ 6,976,227	\$ 36,310,239	\$ 32,587,243

The notes to the financial statements are an integral part of this statement.

CENTRAL COMMUNITY SCHOOL SYSTEM

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2024
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

	<u>2024</u>	<u>2023</u>
Total Fund Balances - Governmental Funds	\$ 24,955,906	\$ 24,313,014
Cost of Capital Assets	138,125,137	134,729,061
Less: Accumulated Depreciation	<u>(34,143,537)</u>	<u>(31,106,845)</u>
	103,981,600	103,622,216
Cost of Lease Assets	656,225	730,695
Less: Accumulated Depreciation	<u>(151,135)</u>	<u>(164,520)</u>
	505,090	566,175
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	5,352,878	4,191,106
Due to Other Funds	<u>(5,352,878)</u>	<u>(4,191,106)</u>
	-	-
Long-Term Liabilities:		
Compensated Absences	(1,259,404)	(1,964,908)
Total OPEB Liability	(9,443,929)	(10,717,825)
Net Pension Liability	(43,710,312)	(47,364,068)
Lease Liability	(513,238)	(364,560)
Bonds Payable	(55,269,009)	(60,493,842)
Deferred Amount on Refunding	1,732,674	1,895,973
Accrued Interest Payable	<u>(514,166)</u>	<u>(565,009)</u>
	(108,977,384)	(119,574,239)
Deferred Inflows of Resources - Unavailable Intergovernmental		
Revenues are not Reported in Governmental Funds	149,004	149,004
Deferred Outflows of Resources Related to Pensions		
are not Reported in Governmental Funds	14,626,545	14,657,964
Deferred Outflows of Resources Related to Other Post		
Employment Benefits are not Reported in Governmental Funds	320,405	688,755
Deferred Inflows of Resources Related to Pensions		
are not Reported in Governmental Funds	(2,591,101)	(1,396,302)
Deferred Inflows of Resources Related to Other Post		
Employment Benefits are not Reported in Governmental Funds	<u>(1,638,283)</u>	<u>(1,957,838)</u>
Net Position (Deficit)	<u>\$ 31,331,782</u>	<u>\$ 21,068,749</u>

The notes to the financial statements are an integral part of this statement.

CENTRAL COMMUNITY SCHOOL SYSTEM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	General Fund	Debt Service Fund General Obligation Bonds	Capital Projects Fund Proposition No. 1	Nonmajor Governmental Funds	Total Governmental Funds	
					2024	2023
Revenues:						
Local Sources:						
Taxes:						
Ad Valorem	\$ 7,889,327	\$ 5,121,616	\$ -	\$ -	\$ 13,010,943	\$ 12,630,011
Sales and Use	11,086,662	-	-	2,771,666	13,858,328	13,221,663
Other	279,320	-	-	62,021	341,341	270,365
Tuition	323,081	-	-	-	323,081	378,331
Interest Earnings	694,751	6,255	-	9	701,015	413,564
Rentals, Leases and Royalties	9,900	-	-	-	9,900	11,600
Food Services	-	-	-	740,863	740,863	828,344
Student Activities	-	-	-	2,590,624	2,590,624	2,311,974
Other	1,391,143	-	-	-	1,391,143	1,359,605
State Sources:						
Unrestricted Grants-in-Aid	34,226,038	-	-	30,000	34,256,038	34,545,879
Restricted Grants-in-Aid	1,946,255	-	2,126,315	28,720	4,101,290	3,258,602
Other	850	-	-	-	850	802
Federal Sources:						
Unrestricted - Indirect Cost Recoveries	-	-	-	119,335	119,335	128,828
Restricted Grants-in-Aid - Subgrants	75,597	-	-	5,458,412	5,534,009	7,530,034
Other - Commodities	-	-	-	260,509	260,509	264,672
Total Revenues	57,922,924	5,127,871	2,126,315	12,062,159	77,239,269	77,154,274
Expenditures:						
Instruction:						
Regular Programs	19,662,273	-	-	1,925,492	21,587,765	20,842,275
Special Education Programs	5,934,274	-	-	478,321	6,412,595	5,912,102
Vocational Programs	1,807,666	-	-	67,837	1,875,503	1,831,825
Other Programs	2,990,289	-	-	889,589	3,879,878	4,123,572
Special Programs	913,533	-	-	372,682	1,286,215	1,136,368
Support Services:						
Pupil Support	2,443,003	-	-	621,350	3,064,353	2,949,941
Instructional Staff Support	1,657,012	-	-	859,370	2,516,382	2,529,960
General Administration	1,553,926	146,411	-	24,444	1,724,781	1,623,132
School Administration	2,737,353	-	-	236,709	2,974,062	3,016,304
Business Services	783,052	-	-	-	783,052	742,010
Plant Services	5,727,683	-	924,919	314,452	6,967,054	6,449,222
Transportation Services	5,558,688	-	-	-	5,558,688	5,693,814

(CONTINUED)

CENTRAL COMMUNITY SCHOOL SYSTEM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	General Fund	Debt Service Fund General Obligation Bonds	Capital Projects Fund Proposition No. 1	Nonmajor Governmental Funds	Total Governmental Funds	
					2024	2023
Expenditures (Continued):						
Central Services	1,578,302	-	-	259,037	1,837,339	1,874,886
Non-Instructional Services:						
Food Services	54,242	-	-	3,177,736	3,231,978	3,161,922
Enterprise Operations	-	-	10,500	-	10,500	-
Capital Outlay	845,261	-	4,471,928	50,000	5,367,189	17,470,423
Capital Outlay - Leases	609,212	-	-	-	609,212	258,617
Debt Service:						
Principal Retirement	-	3,440,000	-	1,155,000	4,595,000	4,385,000
Leases Principal Payments	115,356	-	-	-	115,356	73,772
Interest and Bank Charges	19,394	1,695,026	-	412,575	2,126,995	2,286,491
Total Expenditures	54,990,519	5,281,437	5,407,347	10,844,594	76,523,897	86,103,019
Excess (Deficiency) of Revenues Over Expenditures	2,932,405	(153,566)	(3,281,032)	1,217,565	715,372	(8,948,745)
Other Financing Sources (Uses):						
Transfers In	119,335	-	2,749,738	-	2,869,073	4,861,154
Transfers Out	(1,249,738)	-	-	(1,619,335)	(2,869,073)	(4,861,154)
Other Transfers Out	(687,373)	-	-	-	(687,373)	(682,669)
Proceeds from Bond Issuance	-	-	-	-	-	47,014
Proceeds from Issuance of Leases	600,590	-	-	-	600,590	-
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	-	14,303	14,303	37,785
Total Other Financing Sources (Uses)	(1,217,186)	-	2,749,738	(1,605,032)	(72,480)	(644,884)
Net Change in Fund Balances	1,715,219	(153,566)	(531,294)	(387,467)	642,892	(9,593,629)
Fund Balances at Beginning of Year	15,574,323	2,904,585	2,573,329	3,260,777	24,313,014	33,906,643
Fund Balances at End of Year	\$ 17,289,542	\$ 2,751,019	\$ 2,042,035	\$ 2,873,310	\$ 24,955,906	\$ 24,313,014

The notes to the financial statements are an integral part of this statement.

CENTRAL COMMUNITY SCHOOL SYSTEM

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	2024	2023
Total Net Change in Fund Balances - Governmental Funds	\$ 642,892	\$ (9,593,629)
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.		
Capital Outlays Which Were Capitalized	5,367,189	17,470,423
Capital Outlays - Leases	609,212	258,617
Depreciation Expense	(5,007,805)	(2,551,096)
Amortization Expense - Lease Assets	(137,257)	(103,323)
Add accumulated depreciation on capital assets retired during the year	1,971,113	127,872
Less cost basis of capital assets retired during the year	(1,971,113)	(127,872)
Add accumulated amortization on lease assets retired during the year	150,642	-
Less cost basis of lease assets retired during the year	(683,682)	-
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of Leases	(600,590)	(47,014)
Repayment of Debt	4,595,000	4,385,000
Lease Principal Payments	115,356	73,772
Lease Principal Reduction Due to Early Lease Terminations	336,556	-
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) Decrease in Compensated Absences Payable	705,504	280,255
Amortization of Premiums on Bonds	629,833	600,051
(Increase) Decrease in Pension Expense	2,427,538	1,177,744
(Increase) Decrease in OPEB Expense	1,225,101	864,624
Amortization of Deferred Amount on Refunding	(163,299)	(163,300)
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.		
(Increase) Decrease in Accrued Interest Payable	50,843	43,416
Change in Net Position of Governmental Activities	\$ 10,263,033	\$ 12,483,937

The notes to the financial statements are an integral part of this statement.

CENTRAL COMMUNITY SCHOOL SYSTEM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 7,668,874	\$ 7,906,250	\$ 7,889,327	\$ (16,923)
Sales and Use	11,533,676	10,670,200	11,086,662	416,462
Other	270,000	274,993	279,320	4,327
Tuition	295,000	305,000	323,081	18,081
Interest Earnings	178,000	434,000	694,751	260,751
Rentals, Leases, and Royalties	9,000	9,200	9,900	700
Other	565,150	986,750	1,391,143	404,393
State Sources:				
Unrestricted Grants-in-Aid	33,799,999	33,989,071	34,226,038	236,967
Restricted Grants-in-Aid	669,635	1,971,583	1,946,255	(25,328)
Other	800	800	850	50
Federal Sources:				
Restricted Grants-in-Aid	36,540	50,065	75,597	25,532
Total Revenues	<u>55,026,674</u>	<u>56,597,912</u>	<u>57,922,924</u>	<u>1,325,012</u>
Expenditures:				
Instruction:				
Regular Programs	19,104,426	19,497,001	19,662,273	(165,272)
Special Education Programs	5,445,363	5,754,122	5,934,274	(180,152)
Vocational Programs	1,803,436	2,030,332	1,807,666	222,666
Other Programs	2,763,688	3,076,202	2,990,289	85,913
Special Programs	852,994	861,339	913,533	(52,194)
Support Services:				
Pupil Support	2,482,245	2,527,529	2,443,003	84,526
Instructional Staff Support	1,747,890	1,769,330	1,657,012	112,318
General Administration	1,575,780	1,857,925	1,553,926	303,999
School Administration	2,732,471	2,741,770	2,737,353	4,417

(CONTINUED)

CENTRAL COMMUNITY SCHOOL SYSTEM

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):				
Support Services (Continued):				
Business Services	747,473	789,986	783,052	6,934
Plant Services	6,773,424	6,786,231	5,727,683	1,058,548
Transportation Services	5,389,300	5,702,200	5,558,688	143,512
Central Services	1,737,276	2,085,322	1,578,302	507,020
Non-Instructional Services:				
Food Services	16,200	54,290	54,242	48
Capital Outlay	339,275	376,655	845,261	(468,606)
Capital Outlay - Leases	-	-	609,212	(609,212)
Debt Service:				
Principal Retirement	30,000	-	-	-
Lease Principal Payments	-	-	115,356	(115,356)
Interest and Bank Charges	-	-	19,394	(19,394)
Total Expenditures	53,541,241	55,910,234	54,990,519	919,715
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,485,433	687,678	2,932,405	2,244,727
Other Financing Sources (Uses):				
Proceeds on Disposal of Capital Assets	(10,000)	-	-	-
Transfers In	375,000	96,425	119,335	22,910
Transfers Out	(375,000)	(3,771,988)	(1,249,738)	2,522,250
Other Transfers Out	(685,000)	(687,373)	(687,373)	-
Proceeds from Issuance of Leases	-	-	600,590	600,590
Total Other Financing Sources (Uses)	(695,000)	(4,362,936)	(1,217,186)	3,145,750
Net Change in Fund Balance	790,433	(3,675,258)	1,715,219	5,390,477
Fund Balance at Beginning of Year	15,574,323	15,574,323	15,574,323	-
Fund Balance at End of Year	\$ 16,364,756	\$ 11,899,065	\$ 17,289,542	\$ 5,390,477

The notes to the financial statements are an integral part of this statement.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

INTRODUCTION

Effective November 2006, the Central Community School System (School System) seceded from the East Baton Rouge Parish School System (EBRPSS) and formed its own school district as a result of a statewide election to amend the Louisiana Constitution to create the special school district. The School System was created by Louisiana Revised Statute (LSA-R.S.) 17:66 for the purpose of providing public education for the residents within the Central Community in East Baton Rouge Parish. The School System operated as a start up organization from December 11, 2006 through June 30, 2007 in order to plan, organize and recruit personnel for the following school year. The first year the School System provided educational programs to the residents of the Central Community began on July 1, 2007. The School System Board is comprised of seven members who are elected from seven districts for terms of four years and are charged with the management and operation of the Central Community School System.

The School System operates five schools within the community with a total enrollment of approximately 4,800 students. In conjunction with the regular educational programs, some of these schools offer special education and vocational education programs. In addition, the School System provides transportation and school food services for the students.

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Central Community School System 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.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended*.

B. Reporting Entity

For financial reporting purposes, the School System includes all funds, schools, and agencies that are within the oversight responsibility of the School System. The oversight responsibility derived by the School System is related to its scope of public service and gives it the authority to establish public schools as it deems necessary. This oversight responsibility also allows the School System to determine the number of teachers and employees to be employed, to establish the financial interdependency of the funds, to appoint management, and to significantly influence operations and accountability for fiscal matters.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Certain units of local government over which the School System exercises no oversight responsibility, such as the City of Central, other independently elected officials, and other governments within the city, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Central Community School System.

The Governmental Accounting Standards Board (GASB) Statement No. 61, the Financial Reporting Entity: Omnibus, established criteria for determining which component units should be considered part of the Central Community School System for financial reporting purposes. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Legal status of the potential component unit.
2. Financial accountability:
 - a. The primary government appoints a voting majority of the potential component unit's governing body and the primary government is able to impose its will on the potential component unit (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefits/burden relationship between the School System and the potential component unit, and misleading to exclude which covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Based on the previous criteria, the School System's management has determined that there are no component units at June 30, 2024.

C. Funds

The School System uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School System functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the School System are classified into one category as Governmental Funds and are discussed below.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Governmental Funds

Governmental funds are used to account for all of the School System's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School System.

The following are the School System's primary governmental funds:

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the School System. It is used to account for and report all financial resources not accounted for and reported in other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects.

Debt Service Funds - The Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest and related costs for each type of bond issued.

Capital Projects Funds - The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the school system.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

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

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Allocation of Indirect Expenses

The School System reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on buildings is assigned to the “general administration” function since school buildings serve many purposes.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

Fund financial statements report detailed information about the School System. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major funds of the School System are the General Fund, the General Obligation Bonds Debt Service Fund, and the Capital Projects Fund Proposition No. 1 for the year ended June 30, 2024. The General Obligation Bonds Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest and related costs for General Obligation Revenue Bonds. The Capital Projects Fund Proposition No. 1 is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Federal and State entitlements (which include state equalization) are recorded when available and measurable. Federal and State grants are recorded when the reimbursable expenditures have been incurred subject to “availability”.

Sales and use tax revenues are recorded in the month collected by the vendor even though not paid to the School System until the subsequent month.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Nine-month employee salaries are earned over a 9-month period but are paid over a 12-month period. Compensated absences are recognized as expenditures when leave is taken or when employees (or heirs) are paid for accrued leave upon retirement or death. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sale of fixed assets, long-term debt proceeds, bank loan proceeds, lease proceeds, etc., are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

E. Budget Practices

The School System adopts an annual budget for the General Fund; the Special Revenue Funds, including the Other Federal Grants Fund, the Improving America’s Schools Act Fund, the Special Education Fund, and the School Food Service Fund; each Debt Service Fund; and each Capital Projects Fund. Only the General Fund and Special Revenue Funds are required to be presented in these financial statements.

The proposed budgets for the fiscal year ended June 30, 2024, were made available for public inspection and comments from taxpayers. The budgets, which included proposed expenditures and the means of financing them, were published in the official journal fifteen days prior to the public hearing on the budget for the year ended June 30, 2024. At this meeting, the proposed budgets were legally adopted by the School Board.

The budgets are prepared on a modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are not recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent is authorized to transfer between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more, a budget amendment is adopted by the School System in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

F. 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.

G. Cash, Cash Equivalents, and Investments

Under state law, the School System may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. Cash and cash equivalents include cash on hand, cash on deposit, certificates of deposit with original maturities less than 90 days, and money market accounts. Under state law, these deposits 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 be equal or exceed the amount on deposit with the fiscal agent. Investments are reflected at fair value.

The School System may invest in United States bonds, treasury notes, or certificate and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana or with the Louisiana Asset Management Pool, Inc. Under state law, the School System 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. Cash and cash equivalents are stated at cost, which approximates market value.

H. Inventory

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School System 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 received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out basis) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are recorded at acquisition value. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Capital assets are recorded in the GWFS but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School System, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 10 to 50 years for buildings and improvements, and 5 to 15 years on furniture and equipment.

Assets transferred from the East Baton Rouge Parish School System on July 1, 2007 were transferred at historical cost less accumulated depreciation. These amounts were obtained from the East Baton Rouge Parish School System.

The School System does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2007 were considered to be part of the cost of buildings or other immovable property such as stadiums. In the future, if such items are built or constructed, they will be capitalized and depreciated over their estimated useful lives.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. The School System capitalizes equipment that has an original purchase price of \$5,000 or greater.

J. Compensated Absences

All 12-month employees earn 15 days of vacation leave each year. A maximum of 25 days can be accumulated and is paid to the employee upon termination or can be used for retirement benefit computation.

All school board employees earn from 8 to 10 days of sick leave each year, depending upon the number of months employed and 2 days personal leave days each year. Sick leave may 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, the total unused accumulated sick leave, including the twenty-five days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned between July 1, 1988 and June 30, 1990 under the Louisiana Teachers Retirement System and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the retirement benefit computation as earned service. For sick leave earned after June 30, 1990, a maximum of one year of accumulated sick leave earned, which excludes the twenty-five days paid, can be converted to one year of earned service. All remaining accumulated sick leave earned after June 30, 1990, after converting one year of sick leave into one year of earned service, may only be added to the member's service credit if purchased.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Net Position

Net position represents the difference between assets and liabilities in the GWFS. "Net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds or leases that are attributable to the acquisition, construction or improvement of those assets. Net position is reported as restricted in the GWFS when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

M. Sales and Use Taxes

The School System receives a two percent sales and use tax. The sales and use tax is collected by the East Baton Rouge City-Parish, remitted to the School System, and is included in the revenues of the General Fund. The proceeds of the tax are dedicated to the payment of salaries of school teachers and other school employees; the payment of utilities; and constructing, maintaining or operating school buildings and other school related facilities, including the acquisition of sites.

In addition, on May 2, 2009, the voters approved a ½ percent sales and use tax for the purpose of constructing, furnishing and equipping a new middle school, including, if necessary, land acquisitions and related debt repayment.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates, and such difference could be material.

O. Deferred Outflows/Inflows of Resources

The statement of net position reports a separate section for deferred outflows and (or) inflows of financial resources. Deferred outflows of resources represent consumptions of net position that apply to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent acquisitions of net position that apply to a future period(s) and so will not be recognized as an inflow of resources until that time.

Deferred outflows and inflows of resources on the statement of net position are related to pensions, post-employment benefits other than pensions (OPEB) and federal grants. See Pension Plans Note 8, Long-Term Debt Note 10, and Notes to Schedule of Expenditures of Federal Awards. In the governmental funds balance sheet, deferred inflows of resources - unavailable intergovernmental revenues are reported for receivables recorded in the governmental fund financial statements for which revenue is not available.

P. Pensions

The School System is a participating employer in cost-sharing, multiple-employer defined benefit plans as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Q. Postemployment Benefits Other than Pensions (OPEB)

The School System provides certain continuing health care and life insurance benefits for its retired employees as described in Note 10. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

R. Fund Equity

The School System has adopted the provisions of Governmental Accounting Standards Board Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

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

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

Committed - Amounts that can only be used for specific purposes determined by a formal action of the School System. These amounts cannot be used for any other purpose unless the School System removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the School System.

Unassigned - All amounts not included in other classifications; positive amounts are only in the general fund. The School System has adopted a policy to maintain the general fund's unassigned fund balance at a minimum balance of 15% of general fund expenditures.

The details of the fund balances are included in the Balance Sheet - Governmental Funds (Statement C). As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School System or the Assignment has been changed by the School System. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

S. Impact of Recently Issued Accounting Principles

The School System has adopted and implemented the following statement of the Governmental Accounting Standards Board effective for the School System's 2024 fiscal year:

- During the year, the School System adopted GASB Statement No. 99 - *Omnibus 2022* - the portion that relates to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 and GASB Statement No. 100 - *Accounting Changes and Error Corrections - an amendment of GASB No. 62*. These new accounting standards have no material effect on the School System's financial statements.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

T. Current Accounting Pronouncements

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the School System's fiscal year 2024:

1. Statement No. 101 - *Compensated Absences* (2025)
2. Statement No. 102 - *Certain Risk Disclosures* (2025)
3. Statement No. 103 - *Financial Reporting Model Improvements* (2026)
4. Statement No. 104 - *Disclosure of Certain Capital Assets* (2026)

The School System is currently evaluating the effects that these statements will have in its financial statements for the years ended June 30, 2025 and later.

(2) **Cash and Cash Equivalents**

For reporting purposes, cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the School System 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.

At June 30, 2024, the carrying amount of the School System's Cash and Cash Equivalents (checking accounts, savings accounts, and certificates of deposits) was \$16,378,777 and the confirmed bank balances were \$15,995,840. Cash and Cash Equivalents are stated at cost, which approximates market.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School System's deposits may not be returned to it. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities 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 a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 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 System that the fiscal agent has failed to pay deposited funds upon demand. As of June 30, 2024, the demand deposits totaling \$15,995,840 are secured with \$250,000 federal deposit insurance and \$15,745,840 of pledged securities. The \$15,745,840 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

(3) **Investments**

All investments are stated on the balance sheet at fair value. All investments are in municipal bonds, treasury bills, or U.S Government-backed securities that are held by a broker, or in the Louisiana Asset Management Pool (LAMP), a local government external investment pool.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The School System adopted a policy which outlines asset allocation strategy, investment structure, monitoring and evaluation criteria, as well as performance measurement milestones. The School System selected an initial asset allocation of thirty-five percent equities and sixty-five percent fixed income with an expected long-term return of six percent.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, Louisiana 70130, or by calling (800) 249-5267.

Fair Value of Financial Instruments. The School System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2024, the School System held investments as summarized below:

	<u>Fair Value</u>
LAMP (Level 1)	\$ 1,513,429
Municipal Bonds (Level 2)	217,507
Government Backed Securities (Level 2)	<u>8,519,890</u>
Total Investments	<u>\$ 10,250,826</u>

Interest Rate Risk. As a means of limiting its exposure to fair value changes arising from fluctuations in interest rates, the School System invests in municipal bonds and U.S Government-Sponsored Entity debt securities that are backed by government agencies. LAMP is designed to be highly liquid to give participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 70 days as of June 30, 2024.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Credit Risk. Under state law, the School System may invest in United States bonds, treasury notes, or certificates. The School System invests in municipal bonds and U.S Government-Sponsored Entity debt securities that are in compliance with the state law. LAMP is rated AAAm by Standards and Poor's.

Concentration of Credit Risk. Pooled investments are excluded from the five percent disclosure requirement. Municipal bonds and U.S Government-Sponsored Entity debt securities are 2% and 17%, respectfully, of the total investments.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2024, the School System is not exposed to custodial credit risk with respect to its investments because all investments are either insured by federal depository insurance, registered in the name of the School System, or collateralized by other investments pledged in the name of the School System. In the case of LAMP, participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

(4) Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land are to be assessed at 15% and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from Ad Valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Sheriff bills and collects the property taxes using the assessed value determined by the Parish Assessor's office.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parishwide Taxes:		
Constitutional	5.00	3.51
Special	38.45	29.18
Debt Service	23.65	23.65

Any differences between authorized and levied millages are the result of reassessment of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

Total Ad Valorem Taxes Levied	\$13,143,215
Less: Amounts Deemed Uncollectible	<u>(132,272)</u>
Net Ad Valorem Taxes Collectible	<u>\$13,010,943</u>

Ad Valorem taxes receivable at June 30, 2024, totaled \$17,148.

(5) Receivables

The receivables at June 30, 2024, are as follows:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Sales Taxes</u>	<u>Ad Valorem Taxes</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ -	\$ 22,417	\$ 1,585,828	\$ 13,718	\$ 23,273	\$ 1,645,236
General Obligation Bonds						
Debt Service Fund	-	-	-	3,430	-	3,430
Capital Projects Fund						
Proposition No. 1	-	1,315,964	-	-	-	1,315,964
Nonmajor Funds	<u>853,120</u>	<u>-</u>	<u>396,457</u>	<u>-</u>	<u>-</u>	<u>1,249,577</u>
Totals	<u>\$ 853,120</u>	<u>\$ 1,338,381</u>	<u>\$ 1,982,285</u>	<u>\$ 17,148</u>	<u>\$ 23,273</u>	<u>\$ 4,214,207</u>

(6) Interfund Receivables, Payables - Transfers In, Transfers Out

Interfund receivables and payables result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund receivables and payables at June 30, 2024 are as follows:

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 5,214,785	\$ -
General Obligation Bonds Debt Service Fund	-	1,522,725
Proposition No. 1 Capital Projects Fund	-	9,968
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Federal Grants	-	83,031
Improving America's Schools Act	-	195,588
Special Education	-	127,289
School Food Service	138,093	-
Proposition No. 2 Capital Projects Fund	-	274,733
Sales Tax Bonds Debt Service Fund	-	3,139,544
Total Nonmajor Governmental Funds	<u>138,093</u>	<u>3,820,185</u>
Total	<u>\$ 5,352,878</u>	<u>\$ 5,352,878</u>

Interfund transfers out of the Special Revenue Funds are for indirect cost allocations to the General Fund. Interfund transfers out of the General Fund are to cover the cost of ongoing capital projects that are not covered by other funding. Interfund transfers for the year ended June 30, 2024 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 119,335	\$ 1,249,738
Proposition No. 1 Capital Projects Fund	2,749,738	-
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Federal Grants	-	35,144
Improving America's Schools Act	-	30,347
Special Education	-	53,844
Proposition No. 2 Capital Projects Fund	-	-
Sales Tax Bonds Debt Service Fund	-	1,500,000
Total Nonmajor Governmental Funds	<u>-</u>	<u>1,619,335</u>
Total	<u>\$ 2,869,073</u>	<u>\$ 2,869,073</u>

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

(7) Changes in Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

	Balance July 01, 2023	Additions/ Adjustments	Deletions	Balance June 30, 2024
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 2,931,206	\$ 378,536	\$ -	\$ 3,309,742
Construction in Progress	169,493	2,222,987	296,459	2,096,021
Total Capital Assets not being Depreciated	3,100,699	2,601,523	296,459	5,405,763
Capital Assets being Depreciated:				
Buildings and Improvements	126,204,355	2,172,320	-	128,376,675
Furniture and Equipment	5,475,452	889,805	1,971,113	4,394,144
Total Capital Assets being Depreciated	131,679,807	3,062,125	1,971,113	132,770,819
Less: Accumulated Depreciation for:				
Buildings and Improvements	26,515,493	4,716,894	-	31,232,387
Furniture and Equipment	4,642,797	290,911	1,971,113	2,962,595
Total Accumulated Depreciation	31,158,290	5,007,805	1,971,113	34,194,982
Total Capital Assets being Depreciated, Net	100,521,517	(1,945,680)	-	98,575,837
Lease Assets:				
Buildings	730,695	609,212	683,682	656,225
Total Lease Assets Being Amortized	730,695	609,212	683,682	656,225
Less: Accumulated Amortization for:				
Buildings	164,520	137,257	150,642	151,135
Total Accumulated Amortization	164,520	137,257	150,642	151,135
Total Lease Assets Being Amortized, Net	566,175	471,955	533,040	505,090
Total Governmental Activates Capital Assets, Net	<u>\$ 104,188,391</u>	<u>\$ 1,127,798</u>	<u>\$ 829,499</u>	<u>\$ 104,486,690</u>

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Depreciation and amortization expense of \$4,993,245 for the year ended June 30, 2024 was charged to the following governmental functions:

Instruction:

Regular Education	\$ 24,822
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Support Services:

General Administration (Including all Buildings)	4,844,481
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School Administration	237,059
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Plant Services	18,066
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Food Services	<u>20,634</u>
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Total	<u>\$ 5,145,062</u>
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The Capital Project Proposition Funds No. 1 & 2 report a total fund balance of \$2,047,899. A summary of commitments under construction contracts for the School System at June 30, 2024, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2024</u>	<u>Unexpended Commitment</u>
CHS Field House	\$ 3,186,199	\$ 1,797,621	\$ 1,388,578
CHS Athletic Renovation	78,867	78,867	-
CMS & CIS Renovation	21,895	21,895	-
Basball Facilities	36,478	36,478	-
CHS Theatre Renovations	16,250	16,250	-
SBO Landscape Masterplan	18,850	18,850	-
Security Doors	291,764	70,408	221,356
IT/Maint Building	<u>80,465</u>	<u>55,652</u>	<u>24,813</u>
	<u>\$ 3,730,768</u>	<u>\$ 2,096,021</u>	<u>\$ 1,634,747</u>

At June 30, 2024, the unexpended commitments of \$1,634,747 are recorded in the Capital Projects Fund-Proposition No.1 as fund balance committed to contracts to the extent of available fund balance.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

(8) Accounts, Salaries, and Other Payables

The payables at June 30, 2024, are as follows:

	Accounts Payable	Salaries, Withholdings and Benefits	Total
General Fund	\$ 1,937,095	\$3,287,266	\$5,224,361
Proposition No.1 Capital Projects Fund	494,362	-	494,362
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Federal Grants	37,169	-	37,169
Improving America's Schools	94,666	-	94,666
Special Education	1,580	-	1,580
School Food Service	313	-	313
Total Nonmajor Governmental Funds	133,728	-	133,728
Total	\$ 2,565,185	\$3,287,266	\$5,852,451

(9) Pension Plans

The School System follows the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68*. These standards revise and establish new financial reporting requirements for governments that provide their employees with pension benefits. These standards require the School System to record its proportionate share of each of the pension plans net pension liability and report the following disclosures:

General Information about the Pension Plans

Plan Descriptions

Teachers' Retirement System of Louisiana

Employees of the School System are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

State of Louisiana School Employees' Retirement System

The State of Louisiana School Employees' Retirement System (LSERS) was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes as a cost-sharing multiple employer defined benefit pension plan. LSERS issues a publicly available financial report that can be obtained at www.lsers.net.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Benefits Provided:

Teachers' Retirement System of Louisiana

The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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

Plan B - Members hired before July 1, 2015 may retire with a 2.0% annual accrual rate at age 55 with 30 years of service or age 60 with at least 5 years of service, members hired after July 1, 2015 may retire with a 2.0% annual accrual rate at age 62 with at least 5 years of service or any age with at least 20 years of service.

Benefit Formula

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

Payment Options

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

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

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

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

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

Disability Benefits

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

Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

State of Louisiana School Employees' Retirement System

The following is a description of the plan and its benefits and is provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 who have less than 10 years of creditable service are not eligible for membership in the System. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefits

Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153. 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, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

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

Disability

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

Deferred Retirement Option Plan

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Initial Benefit Retirement Plan

Effective January 1, 1996, the state legislature authorized the System to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Contributions:

Teachers' Retirement System of Louisiana

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

2024 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	24.1%
Plan A	8.0%	24.1%
ORP		
2024	8.0%	20.8%

The contractually required composite contribution rate was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the TRSL from the School System were \$6,695,565 for the year ended June 30, 2024.

In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$229,823 for the year ended June 30, 2024.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

State of Louisiana School Employees' Retirement System

Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. For the year ending June 30, 2024, the employer contribution rate was 27.6% and the employee rate was 7.5%. Contributions to LSERS from the School System were \$-0- for the year ended June 30, 2024.

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

At June 30, 2024, the School System reported a liability of \$43,710,312 for its proportionate share of the net pension liability of TRSL and LSERS combined. For all plans, the net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School System's proportion of the net pension liability was based on a projection of the School System's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The School System's proportion at June 30, 2023 and change in proportion measured as of June 30, 2023 is as follows:

<u>Plan</u>	<u>Proportion at June 30, 2023</u>	<u>Change in Proportion</u>
TRSL	0.483550%	-0.01255%
LSERS	0.000000%	0.000000%

For the year ended June 30, 2024, the School System recognized pension expense (benefit) as follows:

<u>Plan</u>	<u>Pension Expense (Benefit)</u>
TRSL	\$ 4,290,541
LSERS	<u>(22,390)</u>
	<u>\$ 4,268,151</u>

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual			
Experience	\$ 2,052,741	\$ -	\$ 2,052,741
Changes in Assumptions	1,971,386	-	1,971,386
Net difference between projected and actual earnings on pension plan investments	2,992,102	-	2,992,102
Changes in proportion and differences between Employer contributions and proportionate share of contributions	914,751	-	914,751
Employer contributions subsequent to the measurement date	<u>6,695,565</u>	<u>-</u>	<u>6,695,565</u>
Total Deferred Outflows of Resources	<u>\$ 14,626,545</u>	<u>\$ -</u>	<u>\$ 14,626,545</u>
Deferred Inflows of Resources:			
Differences between expected and actual			
Experience	\$ 2,482	\$ -	\$ 2,482
Changes in Assumptions	1,425,281	-	1,425,281
Changes in proportion and differences between Employer contributions and proportionate share of contributions	<u>1,163,338</u>	<u>-</u>	<u>1,163,338</u>
Total Deferred Inflows of Resources	<u>\$ 2,591,101</u>	<u>\$ -</u>	<u>\$ 2,591,101</u>

\$6,695,565 reported as deferred outflows of resources related to pensions resulting from the School System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

<u>Year ended June 30:</u>	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
2025	\$ 1,091,929	\$ -	\$ 1,091,929
2026	(318,206)	-	(318,206)
2027	4,590,407	-	4,590,407
2028	(24,251)	-	(24,251)
	<u>\$ 5,339,879</u>	<u>\$ -</u>	<u>\$ 5,339,879</u>

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 for all plans are as follows:

	<u>TRSL</u>	<u>LSERS</u>
Inflation	2.400%	2.500%
Investment rate of return	7.250%	6.800%
Salary increases	2.41% to 4.85% varies on duration of service	3.75%

For TRSL, the mortality rates were projected based on RP-2014 White Collar Employee and Healthy Annuitant Tables and RP-2014 Disability Tables. Termination, disability, and retirement assumptions were projected based on a five year (2012-2017) experience study of the System's members.

For LSERS, the mortality rates were based on the RP-2014 Healthy Annuitant Table, RP-2014 Sex Distinct Employee Table, and RP-2014 Sex Distinct Mortality Table.

For all plans' cost of living adjustments, the present value of future retirement benefits is based on benefits currently being paid by the Systems and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

For TRSL, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges 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 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 of 2.4% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.72% for 2023. Best estimates of arithmetic real rates of return for each major asset class included in the TRSL's target asset allocation as of June 30, 2023 are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Domestic Equity	22.5%	4.55%
International Equity	11.5%	5.01%
Domestic Fixed Income	8.0%	2.20%
International Fixed Income	6.0%	(0.29%)
Private Equity	37.0%	8.24%
Other Private Assets	15.0%	4.32%
	<u>100%</u>	

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. The resulting long-term arithmetic nominal expected return is 8.71%. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	26%	0.97%
Equity	39%	2.84%
Alternatives	23%	1.89%
Real Estate	12%	0.61%
Total	<u>100%</u>	<u>6.31%</u>
Inflation		<u>2.40%</u>
Expected Arithmetic Nominal Return		<u>8.71%</u>

Discount Rate:

The discount rate used to measure the total pension liability was 7.25% for TRSL, which is the same rate from the prior measurement date of June 30, 2022. For LSERS, the discount rate used to measure the total pension liability was 6.80%, which is the same rate from the prior measurement date of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the respective Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' 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.

TRSL:

	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>6.250%</u>	<u>7.250%</u>	<u>8.250%</u>
Net pension liability	\$ 61,917,264	\$ 43,710,312	\$ 28,392,470

LSERS:

	<u>Changes in Discount Rate</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>5.800%</u>	<u>6.800%</u>	<u>7.800%</u>
Net pension liability	\$ -	\$ -	\$ -

Pension Plans Fiduciary Net Position:

TRSL issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the audit report can be found on the System's website: www.trsl.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

LSERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the audit report can be found on the System's website: www.lasers.net or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Payables to the Pension Plans:

At June 30, 2024 included in liabilities are payables to the TRSL of \$1,302,557. These payables are normal legally required contributions to the pension plan.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

(10) Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended June 30, 2024:

	Bonded Debt	Compensated Absences	Post- Employment Benefits	Lease Liabilities	Total
Long-Term Obligations July 01, 2023	\$60,493,842	\$ 1,964,908	\$10,717,825	\$ 364,560	\$73,541,135
Additions/Adjustments:					
Increases	-	1,129,447	(778,765)	600,590	951,272
Deductions:					
Principal Payments	(4,595,000)	-	-	(115,356)	(4,710,356)
Amortization of Premium on Issuance of Bonds	(629,833)	-	-	-	(629,833)
Deductions	-	(1,834,951)	(495,131)	(336,556)	(2,666,638)
Long-Term Obligations June 30, 2024	<u>\$55,269,009</u>	<u>\$ 1,259,404</u>	<u>\$ 9,443,929</u>	<u>\$ 513,238</u>	<u>\$66,485,580</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2024:

	Bonded Debt	Compensated Absences	Post- Employment Benefits	Lease Liabilities	Total
Current Portion	\$ 5,483,371	\$ 314,851	\$ -	\$ 129,584	\$ 5,927,806
Long-Term Portion	49,785,638	944,553	9,443,929	383,654	60,557,774
Total	<u>\$55,269,009</u>	<u>\$ 1,259,404</u>	<u>\$ 9,443,929</u>	<u>\$ 513,238</u>	<u>\$66,485,580</u>

Bonded Debt

All School System bonds outstanding at June 30, 2024 in the amount of \$48,500,000 consist of general obligation bonds and sales tax revenue bonds with final maturities from 2024 to 2040 and interest rates from 2.00 percent to 5.00 percent. Bond principal and interest payable in the next fiscal year is \$4,825,000 and \$1,903,675, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

	Original Issue	Issue Date	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
General Obligation Bonds						
Secured by Ad Valorem Taxes:						
Series 2014	\$ 13,100,000	3/11/2014	2.0 - 4.5%	3/1/2034	\$ -	\$ -
Series 2016	\$ 6,445,000	5/25/2016	3.0 - 4.0%	3/1/2029	444,400	3,595,000
Series 2017	\$ 6,925,000	9/1/2017	2.0 - 5.0%	9/1/2029	663,000	4,250,000
Series 2019	\$ 5,720,000	12/19/2019	3.0 - 5.0%	3/1/2030	661,850	3,845,000
Series 2020	\$ 23,000,000	11/10/2020	2.0 - 5.0%	9/3/2040	6,614,900	20,510,000
Series 2021	\$ 8,535,000	3/4/2021	2%	3/1/2034	770,200	8,235,000
Total General Obligation Bonds					9,154,350	40,435,000
Sales Tax Revenue Bonds						
Secured by Sales Taxes:						
Series 2017	\$ 3,675,000	9/1/2017	2.0 - 5.0%	1/1/2029	336,375	2,105,000
Series 2019	\$ 8,970,000	10/30/2019	3.0 - 5.0%	1/1/2030	1,037,950	5,960,000
Total Sales Tax Bonds					1,374,325	8,065,000
Total Bonded Debt					\$ 10,528,675	\$48,500,000

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the Central Community School District and the avails of a ½% sales and use tax within the Central Community School District within East Baton Rouge Parish. At June 30, 2024 the School System has accumulated \$6,965,549 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

Year Ending June 30,	General Obligation Bonds:			Sales Tax Bonds:		
	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total
2025	3,600,000	\$ 1,542,500	\$ 5,142,500	1,225,000	361,175	1,586,175
2026	3,775,000	1,391,100	5,166,100	1,300,000	298,050	1,598,050
2027	3,970,000	1,231,700	5,201,700	1,380,000	231,050	1,611,050
2028	4,170,000	1,063,800	5,233,800	1,465,000	159,925	1,624,925
2029	4,370,000	886,800	5,256,800	1,550,000	84,550	1,634,550
2030-2034	11,350,000	2,754,250	14,104,250	1,145,000	22,900	1,167,900
2035-2039	7,510,000	1,263,200	8,773,200	-	-	-
2040	1,690,000	67,600	1,757,600	-	-	-
	40,435,000	10,200,950	50,635,950	8,065,000	1,157,650	9,222,650
Unamortized Premium	5,543,490	-	5,543,490	1,225,519	-	1,225,519
	<u>\$45,978,490</u>	<u>\$10,200,950</u>	<u>\$56,179,440</u>	<u>\$ 9,290,519</u>	<u>\$1,157,650</u>	<u>\$10,448,169</u>

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Year Ending June 30,	Total Bonds		
	Principal Payments	Interest Payments	Total
2025	\$ 4,825,000	\$ 1,903,675	\$ 6,728,675
2026	5,075,000	1,689,150	6,764,150
2027	5,350,000	1,462,750	6,812,750
2028	5,635,000	1,223,725	6,858,725
2029	5,920,000	971,350	6,891,350
2030-2034	12,495,000	2,777,150	15,272,150
2035-2039	7,510,000	1,263,200	8,773,200
2040	1,690,000	67,600	1,757,600
	48,500,000	11,358,600	59,858,600
Unamortized Premium	6,769,009	-	6,769,009
	<u>\$55,269,009</u>	<u>\$11,358,600</u>	<u>\$66,627,609</u>

In accordance with Louisiana Revised Statute 39:562, the School System is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2024, the statutory limit is approximately \$101,200,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$40,435,000.

On October 7, 2020, the School System issued \$23,000,000 Series 2020 General Obligation School Bonds for the purpose of (i) acquiring and/or improving lands for building erecting and/or improving school buildings and other school related facilities, including, to the extent feasible, those specific school projects set forth in the “Capital Improvement Plan” approved by the School Board on January 9, 2020, and acquiring the necessary equipment and furnishings therefor, title to which shall be in the public, and (ii) paying the cost of issuance of the bonds. The interest rates on the bonds range from 2% to 5%, with final maturity on March 1, 2040. The net proceeds of the bonds were \$26,651,466 which included a reoffering premium of \$3,943,823 and after payment of \$292,357 in cost of issuance.

Prior Years Advance Refunding

On February 2, 2021, the School System issued \$8,535,000 Series 2021 General Obligation School Refunding Bonds for the purpose of refunding \$7,845,000 of the outstanding balance of the General Obligation School Bonds Series 2014 and interest associated with the Series 2014 Bonds. The net proceeds of \$8,878,474 (after receipts of reoffering premium of \$276,732 and existing debt service transfer of \$66,741, less payment of \$168,738 in cost of issuance) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2014 Bonds. This advance refunding was undertaken to decrease total debt service payments over the next 14 years by \$494,682 and resulted in an economic gain of \$430,029.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The advance refunding of the Series 2014 General Obligation Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$864,735, which was deferred and is being amortized over the life of the new bonds. This difference is reported in the accompanying financial statements as Deferred Outflow of Resources and is to be charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$864,735. Also, as a result of the advance refunding, \$7,845,000 of the Series 2010 General Obligation Bonds was considered in-substance defeased and the liability for those bonds was removed from the School System's books. During 2024, the defeased bonds were paid off.

On December 19, 2019, the School System issued \$5,720,000 Series 2019 General Obligation School Refunding Bonds for the purpose of refunding \$6,415,000 of the outstanding balance of the General Obligation School Bonds Series 2010 and interest associated with the Series 2010 Bonds. The net proceeds of \$6,519,838 (after receipt of reoffering premium of \$942,538 less payment of \$142,700 in cost of issuance) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2010 Bonds. This advance refunding was undertaken to decrease total debt service payments over the next 12 years by \$639,387 and resulted in an economic gain of \$585,742.

The advance refunding of the Series 2010 General Obligation Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$104,383, which was deferred and is being amortized over the life of the new bonds. This difference is reported in the accompanying financial statements as Deferred Outflow of Resources and is to be charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$62,903. Also, as a result of the advance refunding, \$6,415,000 of the Series 2010 General Obligation Bonds was considered in-substance defeased and the liability for those bonds was removed from the School System's books. During 2022, these defeased bonds were paid off.

On October 30, 2019, the School System issued \$8,970,000 Series 2019 Sales Tax Refunding Bonds for the purpose of refunding \$11,925,000 of the outstanding balance of the Sales Tax Bonds Series 2010 & 2010A and interest associated with the Series 2010 & 2010A Bonds. The net proceeds of \$12,334,577 (after receipt of reoffering premium of \$1,358,138.35 less payment of \$184,980 in cost of issuance plus an additional \$67,275 of sinking fund monies and \$2,033,298 of debt service reserve fund monies) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2010 & 2010A Bonds. This advance refunding was undertaken to decrease total debt service payments over the next 12 years by \$1,200,823 and resulted in an economic gain of \$857,130.

The advance refunding of the Series 2010 & 2010A Sales Tax Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$409,577, which was deferred and is being amortized over the life of the new bonds. This difference is reported in the accompanying financial statements as Deferred Outflow of Resources and is to be charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$245,746. Also, as a result of the advance refunding, \$11,925,000 of the Series 2010 & 2010A Sales

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Tax Bonds was considered in-substance defeased and the liability for those bonds was removed from the School System's books. During 2022, these defeased bonds were paid off.

On May 25, 2016, the School System issued \$6,445,000 General Obligation School Refunding Bonds Series 2016 for the purpose of refunding \$6,630,000 of the outstanding balance of the General Obligation School Refunding Bonds Series 2009 and interest associated with the Series 2009 Bonds. The net proceeds of \$7,286,948 (after payment of \$140,472 in cost of issuance plus an additional \$74,818 of the sinking fund monies) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2009 Bonds. This advance refunding was undertaken to decrease total debt service payments over the next 13 years by \$473,924 and resulted in an economic gain of \$416,131.

The advance refunding of the Series 2009 Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$656,948, which was deferred and is being amortized over the life of the new bonds. This difference is reported in the accompanying financial statements as Deferred Outflow of Resources and is to be charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$252,672. Also, as a result of the advance refunding of the Series 2009 Bonds, \$6,630,000 of the Series 2009 Bonds were considered in-substance defeased and the liability for those bonds was removed from the School System's books. During 2021, the Series 2009 defeased bonds were paid off.

On September 1, 2017, the School System issued \$6,925,000 Series 2017 General Obligation School Refunding Bonds for the purpose of refunding \$7,325,000 of the outstanding balance of the General Obligation School Bonds Series 2009A and interest associated with the Series 2009A Bonds. The net proceeds of \$7,787,383 (after receipt of reoffering premium of \$1,009,893 less payment of \$143,909 in cost of issuance) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2009A Bonds. This advance refunding was undertaken to decrease total debt service payments over the next 12 years by \$269,763 and resulted in an economic gain of \$230,474.

The advance refunding of the Series 2009A General Obligation Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$462,383, which was deferred and is being amortized over the life of the new bonds. This difference is reported in the accompanying financial statements as Deferred Outflow of Resources and is to be charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$192,659. Also, as a result of the advance refunding, \$7,325,000 of the Series 2009A General Obligation Bonds was considered in-substance defeased and the liability for those bonds was removed from the School System's books. During 2021, the defeased bonds were paid off.

On September 1, 2017, the School System issued \$3,675,000 Series 2017 Sales Tax Refunding Bonds for the purpose of refunding \$3,915,000 of the outstanding balance of the Sales Tax Bonds Series 2009 and interest associated with the Series 2009 Bonds. The net proceeds of \$4,188,502 (after receipt of reoffering premium of \$564,121 less payment of \$75,280 in cost of issuance plus an additional \$29,400 of sinking fund monies and \$25,006 of debt service reserve fund monies) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

with an escrow agent to provide for all future debt service payments on the Series 2009 Bonds. This advance refunding was undertaken to decrease total debt service payments over the next 13 years by \$231,906 and resulted in an economic gain of \$195,443.

The advance refunding of the Series 2009 Sales Tax Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$273,502, which was deferred and is being amortized over the life of the new bonds. This difference is reported in the accompanying financial statements as Deferred Outflow of Resources and is to be charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$113,959. Also, as a result of the advance refunding, \$3,915,000 of the Series 2009 Sales Tax Bonds was considered in-substance defeased and the liability for those bonds was removed from the School System's books. During 2021, the defeased bonds were paid off.

Leases

The School System records leases in accordance with GASB statement No. 87, *Leases*. Leases greater than 12 months are recorded as a right-of-use asset and a lease liability. At June 30, 2024, the School System had a lease liability of \$513,238. See note 7 for a recap of the lease assets.

On July 10, 2023 the Central Community School System entered into a lease for a Wilscot 68x154 modular building classroom. The term of the lease is 65 months at a discount rate of 3.50% with monthly payments due of \$9,182.

On May 1, 2024, the School System entered into a lease for Hooper Road Discipline Center. The term of the lease is 24 months at a discount rate of 4.96% with monthly payments due of \$3,000.

The future lease payments under lease agreements and in the aggregate are as follows:

<u>Year Ending June 30, 2024</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 129,586	\$ 16,595	\$ 146,181
2026	128,691	11,488	140,179
2027	102,896	7,283	110,179
2028	106,556	3,624	110,180
2029	45,509	399	45,908
Total Minimum Lease Payments	<u>\$ 513,238</u>	<u>\$ 39,389</u>	<u>\$ 552,627</u>

Compensated Absences

At June 30, 2024, employees of the School System have accumulated and vested \$1,259,404 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Post-Employment Benefits Other Than Pensions (OPEB)

Plan Description. The Central Community School System's defined benefit OPEB plan, CCSS Employee/Retiree Health Insurance plan, provides medical benefits through insured programs, and these benefits are made available to employees upon actual retirement. CCSS Employee/Retiree Health Insurance plan is a single employer OPEB plan which is administered by the School System. The plan is authorized by the School System's Board. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School System's Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Substantially all of the school system's employees become eligible for these benefits when they reach retirement age while working for the system. Benefits are available to employees upon retirement according to retirement eligibility provisions as follows: If date of hire is before January 1, 2011: (1) Age 60 with at least 5 years of service credit; (2) Age 55 with at least 25 years of service credit; (3) any age with at least 30 years of service credit; If date of hire is after 1/1/2011, age 60 with at least 5 years of service with the exception that some food service employees must have 30 years of service and be age 55. These benefits for retirees are similar to benefits for active employees provided through an insurance company. Premiums are paid jointly by the school system and retiree. Entitlement to benefits continues through Medicare to death.

A new policy was adopted prior to the June 30, 2015 fiscal year end which states that any employee who retires on or before June 30, 2015 shall have the following option: The retiree and qualified dependent who qualifies for Medicare coverage can choose to keep the School System's subsidized retiree medical insurance benefits. Retirees younger than 65 on June 30, 2015 must choose this option within 30 days from their qualifying birthday or coverage will be terminated. In addition, any employee who retires on or after July 1, 2015 and who qualifies for Medicare will no longer be eligible for retiree medical insurance benefits from the School System. Further, such retirees' eligible dependents who qualify for Medicare will not be eligible for benefits either.

Health coverage includes a fully insured group health maintenance plan together with Medicare plans for those eligible. The plan provisions are contained in the official plan documents. Life insurance coverage is also available to retirees.

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

Employees Covered by Benefit Terms. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	54
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	464
	<hr/>
	518

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Total OPEB Liability. The School System's total OPEB liability of \$9,443,929 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Total OPEB Liability - Beginning	\$10,717,825
Changes for the year:	
Service Cost	200,629
Interest	430,901
Changes to Benefit Terms	-
Differences Between Expected and Actual Experience	(1,410,295)
Changes in Assumptions or Other Inputs	322,201
Benefit Payments	<u>(817,332)</u>
Net Changes to Total OPEB Liability	<u>(1,273,896)</u>
Total OPEB Liability - Ending	<u>\$ 9,443,929</u>

Changes in assumptions or other inputs between 2023 and 2024 reflect the following changes:

- 1) The discount rate was increased from 4.0% to 4.1%.
- 2) The first year trends for retiree contributions, expenses and stop loss premiums were revised based on actual changes for 2024.

All other assumptions and inputs remained the same.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the School System, as well as what the School System's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	3.0%	4.0%	5.0%
Total OPEB Liability	\$ 10,468,978	\$ 9,443,929	\$ 8,570,903

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the School System, as well as what the School System's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>Changes in Healthcare Cost Trend Rates</u>		
	<u>1% Decrease</u>	<u>Base Trend</u>	<u>1% Increase</u>
		Rate	
Total OPEB Liability	\$ 8,535,782	\$ 9,443,929	\$ 10,510,702

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

For the year ended June 30, 2024, the School System recognized an OPEB benefit of \$387,986. At June 30, 2024, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 1,191,663
Changes in Assumptions or Other Inputs	320,405	446,620
Total	\$ 320,405	\$ 1,638,283

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

<u>Year Ended June 30</u>	Outflows	Inflows
2025	\$ 106,830	\$ 500,824
2026	106,830	500,824
2027	106,745	500,700
2028	-	110,866
2029	-	25,069
2030 and Later	-	-
	\$ 320,405	\$ 1,638,283

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method. As required by GASB Statement 75, the OPEB liability is determined using the Entry Age Level Percent of Pay cost method.

Discount Rate. GASB Statement 75 states that the discount rate should be equal to the expected yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), determined as of the measurement date, which in this case is June 30, 2024. An average of the S&P Municipal Bond 20 Year High Grade Rate Index of 4.21% and the Fidelity General Obligation AA 20 Year Yield of 3.97% was 4.10%, which is the discount rate used in this valuation.

Actuarial Value of Plan Assets. There are no assets as the School System has not established a separate trust to hold the separate plan assets as of June 30, 2024.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Turnover Rate. A years-of-service related turnover scale based on actual experience as determined by the actuary for the Teachers' Retirement System, adjusted using a scalar of 1.20 to reflect CCSS recent experience. The rates for each age follow:

Sample Age	Years of Service			
	0 - 2	2 - 3	3 - 4	4+
20	25.0%	16.0%	16.5%	15.0%
25	18.2%	13.5%	10.7%	10.4%
30	18.2%	13.5%	12.0%	7.3%
35	16.0%	13.0%	10.2%	5.6%
40	16.0%	12.7%	10.2%	4.3%
45	14.8%	11.7%	10.2%	4.3%
50	14.8%	11.7%	10.2%	4.3%
55	14.8%	11.7%	10.2%	4.3%
60	14.8%	11.7%	10.2%	4.3%
65	14.8%	11.7%	10.2%	4.3%
70	14.8%	11.7%	10.2%	4.3%
75	0.0%	0.0%	0.0%	0.0%

Post-Employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence after earliest eligibility to retire. Eligibility for these benefits is described above in the Plan Description.

Health Care Cost Trend Rate. Rates were developed using the baseline projection of the SOA Long-Run Medical Cost Trend Model including observation and extrapolation of plan experience. The plan assumes a medical inflation rate of 7.0% beginning in 2024, decreasing to a rate of 4.0% ultimately. Other input variables included the following: rate of inflation 2.5%, rate of growth in real income/GDP per capita 1.5%, extra trend due to technology and other factors 1.0%, health share of GDP resistance point 19.0%, and year for limiting cost growth to GDP growth 2075. Participation of future retirees in the plan was estimated at 60%, derived based on a review of plan experience over the period of 2016-2020, with 25% of the retirees' spouses electing coverage in the plan, derived based on a review of plan experience. Future retiree plan election are based on current retiree elections with those less than 65 using HDHP: 67%, \$0 Ded: 33%, \$1,000 Ded: 0%, and those greater than 65 using HDHP: 67%, \$0 Ded: 33%, \$1,000 Ded 0%. Husbands were assumed to be three years older than wives.

Mortality Rate: For pre-retirement mortality, the PubG.H-2010 Employee Mortality Table, generational with projection scale MP-2021 were used. For post-retirement mortality, the PubG.H-2010 Healthy Retiree Mortality Table, generational with projection scale MP-2021 were used.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

rates for active and retired were “age” adjusted and were derived from the premiums trended to the valuation date and adjusted to the risk characteristics of the group.

(11) Group Health Self Insurance

The School System self-insures the group health coverage for employees. Each month, the School System funds an account with an amount equal to what would be required for premiums if the previous policy had continued. From this account, the health claims of employees are paid, as well as a premium for stop-loss insurance which caps the claims per employee at \$50,000 per policy year. As of June 30, 2024, the School System has accrued a liability as of June 30, 2024 in the amount of \$373,090 based on a search of actual claims subsequent to the balance sheet date as well as a reserve for claims incurred but not yet reported.

(12) Litigation and Claims

At June 30, 2024, the School System is involved in several lawsuits. It is the opinion of the legal adviser for the School System that the ultimate resolution of these lawsuits will not involve any material liability to the School System in excess of insurance coverage and amounts recorded in these financial statements.

(13) Fund Balances

General Fund - Assigned to Other Post-Employment Benefits -

During the fiscal year ended June 30, 2013, the School System passed a motion to set aside funds in the amount of \$2,000,000 in the General Fund to be used to fund the Other Post-Employment Benefits trust fund plan when adopted. As of June 30, 2024, a trust fund plan has not been adopted.

(14) Subsequent Events

Management has evaluated subsequent events through December 31, 2024, the date which the financial statements were available to be issued. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL COMMUNITY SCHOOL SYSTEM

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN

FOR THE YEAR ENDED JUNE 30, 2024*

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana:					
2015	0.47400%	\$ 48,449,904	\$ 21,139,123	229.20%	63.65%
2016	0.46749%	50,266,265	21,414,781	234.73%	62.47%
2017	0.48754%	57,222,015	21,369,156	267.78%	59.90%
2018	0.46743%	47,920,658	21,953,214	218.29%	59.90%
2019	0.49702%	48,847,047	22,829,919	213.96%	68.17%
2020	0.46429%	46,078,799	22,668,391	203.27%	68.57%
2021	0.47405%	52,731,174	22,924,574	230.02%	65.61%
2022	0.49167%	26,248,734	24,883,064	105.49%	83.90%
2023	0.49610%	47,364,068	25,139,806	188.40%	72.40%
2024	0.48355%	43,710,312	26,805,937	163.06%	74.30%
State of Louisiana School Employees' Retirement System:					
2015	0.02180%	\$ 126,193	\$ 53,516	235.80%	76.18%
2016	0.01887%	119,628	52,725	226.89%	74.49%
2017	0.01899%	143,273	53,946	265.59%	70.09%
2018	0.03450%	220,747	98,747	223.55%	70.09%
2019	0.03556%	237,568	102,337	232.14%	74.44%
2020	0.01082%	75,765	31,489	240.61%	73.49%
2021	0.00965%	77,526	28,857	268.66%	69.67%
2022	0.00000%	-	-	0.00%	0.00%
2023	0.00000%	-	-	0.00%	0.00%
2024	0.00000%	-	-	0.00%	0.00%

*For TRSL and LSERS, the amounts presented have a measurement date of the previous fiscal year end.

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

SCHEDULE OF CONTRIBUTIONS BY PLAN

FOR THE YEAR ENDED JUNE 30, 2024

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<u>Teachers' Retirement System of Louisiana:</u>					
2015	\$ 5,983,374	\$ 5,974,194	\$ 9,180	\$ 21,414,781	27.90%
2016	5,740,130	5,741,199	(1,069)	21,369,156	26.87%
2017	5,587,028	5,587,028	-	21,953,214	25.45%
2018	6,078,264	6,078,264	-	22,829,919	26.62%
2019	6,057,826	6,057,826	-	22,668,391	26.72%
2020	5,978,221	5,978,221	-	22,924,574	26.08%
2021	6,225,028	6,225,028	-	24,883,064	25.02%
2022	6,346,098	6,346,098	-	25,139,806	25.24%
2023	6,663,829	6,663,829	-	26,805,937	24.86%
2024	6,695,565	6,695,565	-	27,737,685	24.14%
<u>State of Louisiana School Employees' Retirement System:</u>					
2015	\$ 17,399	\$ 17,476	\$ (77)	\$ 52,725	33.15%
2016	16,292	16,292	-	53,946	30.20%
2017	26,958	26,958	-	98,747	27.30%
2018	28,245	28,245	-	102,337	27.60%
2019	8,817	8,817	-	31,489	28.00%
2020	8,484	8,484	-	28,857	29.40%
2021	-	-	-	-	0.00%
2022	-	-	-	-	0.00%
2023	-	-	-	-	0.00%
2024	-	-	-	-	0.00%

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

SCHEDULE OF CHANGES IN THE SCHOOL SYSTEM'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 200,629	\$ 198,861	\$ 422,249	\$ 381,037	\$ 336,202	\$ 325,920	\$ 319,529	\$ 336,812	\$ 336,812	\$ 639,379
Interest	430,901	421,818	496,252	249,659	246,560	284,237	319,853	314,437	257,883	312,259
Changes to Benefit Terms	-	-	-	-	-	180,647	-	-	-	-
Differences Between Expected and Actual Experience	(1,410,295)	112,173	1,582,903	333,828	1,936,341	(232,143)	(459,228)	(63,394)	(448,485)	-
Changes in Assumptions or Other Inputs	322,201	(2,602)	(3,683,174)	648,710	620,548	(17,827)	(29,432)	(1,292,067)	315,277	-
Benefit Payments	(817,332)	(718,029)	(829,560)	(807,574)	(750,535)	(334,672)	(415,447)	(397,413)	(374,942)	(250,192)
Net Change in Total OPEB Liability	(1,273,896)	12,221	(2,011,330)	805,660	2,389,116	206,162	(264,725)	(1,101,625)	86,545	701,446
Total OPEB Liability - Beginning	10,717,825	10,705,604	12,716,934	11,911,274	9,522,158	9,315,996	9,580,721	10,682,346	10,595,801	9,894,355
Total OPEB Liability - Ending	\$ 9,443,929	\$ 10,717,825	\$ 10,705,604	\$ 12,716,934	\$ 11,911,274	\$ 9,522,158	\$ 9,315,996	\$ 9,580,721	\$ 10,682,346	\$ 10,595,801
Covered Employee Payroll	\$ 23,667,477	\$ 24,399,398	\$ 23,920,979	\$ 23,986,321	\$ 23,516,001	\$ 22,524,677	\$ 22,083,017	\$ 17,595,198	\$ 17,595,198	\$ 19,683,240
Total OPEB Liability as a Percentage of Covered Employee Payroll	39.90%	43.93%	44.75%	53.02%	50.65%	42.27%	42.19%	54.45%	60.71%	53.83%

Notes to Schedule

There are no plan assets accumulated in a trust to pay OPEB benefits.

Changes of assumptions and other inputs between 2023 and 2024:

- 1) The discount rate was increased from 4.0% to 4.10%.
- 2) The first year trends for retiree contributions, expenses and stop loss premiums were revised based on actual changes for 2024.

All other assumptions and inputs remained the same.

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

See independent auditor's report

CENTRAL COMMUNITY SCHOOL SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

Pension Liability:

Changes of Benefit Terms

Teachers' Retirement System of Louisiana (TRSL):

- There were no changes of benefit terms for the years ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016.
- A 1.5% cost of living adjustment (COLA), effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.

State of Louisiana School Employees' Retirement System (LSERS):

- There were no changes of benefit terms for the years ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015.

Changes in Assumptions

Teachers' Retirement System of Louisiana (TRSL):

- Assumptions regarding the discount rate remained at 7.25% in performing the June 30, 2023 valuation (used to measure the June 30, 2024 net pension liability).
- Assumptions regarding the discount rate changed from 7.40% to 7.25% in performing the June 30, 2022 valuation (used to measure the June 30, 2023 net pension liability).
- Assumptions regarding the discount rate changed from 7.45% to 7.40% in performing the June 30, 2021 valuation (used to measure the June 30, 2022 net pension liability).
- Assumptions regarding the discount rate changed from 7.55% to 7.45% in performing the June 30, 2020 valuation (used to measure the June 30, 2021 net pension liability).
- Assumptions regarding the discount rate changed from 7.65% to 7.55% in performing the June 30, 2019 valuation (used to measure the June 30, 2020 net pension liability).
- Assumptions regarding the discount rate changed from 7.70% to 7.65% in performing the June 30, 2018 valuation (used to measure the June 30, 2019 net pension liability).
- Assumptions regarding the discount rate changed from 7.75% to 7.70% in performing the June 30, 2017 valuation (used to measure the June 30, 2018 net pension liability).

State of Louisiana School Employees' Retirement System (LSERS):

- Assumptions regarding the discount rate remained at 6.80% in performing the June 30, 2022 valuation (used to measure the June 30, 2023 net pension liability).
- Assumptions regarding the discount rate remained at 6.80% in performing the June 30, 2021 valuation (used to measure the June 30, 2022 net pension liability).
- Assumptions regarding the discount rate changed from 6.90% to 6.80% in performing the June 30, 2020 valuation (used to measure the June 30, 2021 net pension liability).

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

- Assumptions regarding the discount rate changed from 7.00% to 6.90% in performing the June 30, 2019 valuation (used to measure the June 30, 2020 net pension liability).
- Assumptions regarding the discount rate changed from 7.0625% to 7.00% in performing the June 30, 2018 valuation (used to measure the June 30, 2019 net pension liability).
- Assumptions regarding the discount rate changed from 7.125% to 7.0625% in performing the June 30, 2017 valuation (used to measure the June 30, 2018 net pension liability).
- Assumptions regarding the discount rate changed from 7.00% to 7.125% in performing the June 30, 2016 valuation (used to measure the June 30, 2017 net pension liability).
- Assumptions regarding the discount rate changed from 7.25% to 7.00% in performing the June 30, 2015 valuation (used to measure the June 30, 2016 net pension liability).

See independent auditor's report.

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



Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Members of the Board of the
Central Community School System,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of Central Community School System (School System) for the fiscal year ended June 30, 2024; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.I. Management of the School System is responsible for its performance and statistical data.

The School System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their 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:

General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources (Schedule 4)

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

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

(No Differences Noted)

Class Size Characteristics (Schedule 5)

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

(No Differences Noted)

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

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation 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.

(No Differences Noted)

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

(No Differences Noted)

We were engaged by the School System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review 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 the School System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 31, 2024

CENTRAL COMMUNITY SCHOOL SYSTEM
Central, Louisiana

Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2024

Schedule 4 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

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

Schedule 5 - Class Size Characteristics

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

CENTRAL COMMUNITY SCHOOL SYSTEM**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES**

FOR THE YEAR ENDED JUNE 30, 2024

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 18,782,091	
Other Instructional Staff Activities	1,195,861	
Employee Benefits	7,892,128	
Purchased Professional and Technical Services	1,677,428	
Instructional Materials and Supplies	1,432,196	
Instructional Equipment	249,790	
Total Teacher and Student Interaction Activities		\$ 31,229,494
Other Instructional Activities		328,457
Pupil Support Activities	2,443,903	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		2,443,903
Instructional Staff Services	1,657,273	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,657,273
School Administration	2,737,353	
Less: Equipment for School Administration	-	
Net School Administration		2,737,353
Total General Fund Instructional Expenditures (Total Column B)		\$ 38,396,480
Total General Fund Equipment Expenditures		\$ 247,622

(CONTINUED)

CENTRAL COMMUNITY SCHOOL SYSTEM

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

Certain Local Revenue Sources

Local Taxation Revenue:

Ad Valorem Taxes

Constitutional Ad Valorem Taxes \$ 846,766

Renewable Ad Valorem Tax 7,042,561

Debt Service Ad Valorem Tax 5,121,616

Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes 279,320

Sales and Use Taxes 13,858,328

Total Local Taxation Revenue \$ 27,148,591

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ 8,000

Earnings from Other Real Property -

Total Local Earnings on Investment in Real Property \$ 8,000

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax \$ -

Revenue Sharing - Other Taxes -

Revenue Sharing - Excess Portion -

Other Revenue in Lieu of Taxes -

Total State Revenue in Lieu of Taxes \$ -

Nonpublic Textbook Revenue \$ 24,643

Nonpublic Transportation Revenue \$ -

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

CLASS SIZE CHARACTERISTICS

FOR THE YEAR ENDED JUNE 30, 2024

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary Activity Classes	44.0%	48	56.0%	61	0.0%	-	0.0%	-
Elementary	41.2%	340	58.8%	485	0.0%	-	0.0%	-
High Activity Classes	86.3%	145	12.5%	21	0.6%	1	0.6%	1
High	46.5%	309	34.2%	227	17.8%	118	1.5%	10
Middle/Jr. High Activity Classes	21.6%	11	41.2%	21	33.3%	17	3.9%	2
Middle/Jr. High	38.9%	121	54.3%	169	6.8%	21	0.0%	-

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

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Federal Grants Fund - The Federal Grants Fund is used to account for all Federal Grants not accounted for in the other Special Revenue funds. These programs include the Public Assistance grant, the Education Stabilization Fund, the Education Jobs Fund grant, the Vocational Education (Carl Perkins) grant, the Capital Area Human Resources Prevention grant, the Mathematics and Science Partnership grant, and the Enhancing Education Through Technology grant.

Improving America's Schools Act Fund includes the following programs:

Title I - Grants to Local Educational Agencies

Title I includes programs primarily in the areas of reading and math. These programs strive to meet the special needs of economically and educationally deprived children through federal funding for teachers, aids, instructional material, equipment and parental involvement.

Title II - Education for Economy Security Act

The Education for Economy Security Act is a federally funded program to provide financial assistance to improve the skills of teaching and instruction in mathematics, science, computer learning, and foreign languages; and increase the access of all students to this instruction.

Special Education Fund - Individuals with Disabilities Education Act

Individuals with Disabilities Education Act IDEA Part B is a federally funded program designed to assist states in providing free, appropriate education to all children with exceptionalities from 3 to 21 years of age in the least restrictive environment.

School Food Service Fund - The School Lunch Fund is a program that provides the students with balanced and nutritious meals. This program is federally financed, state-administered, and locally operated by the School System.

Student (School) Activity Fund - The Student (School) Activity Fund is used to account for monies generated by the individual schools and school organizations within the system. While the school activity accounts are under the supervision of the School System, they belong to the individual schools or their student bodies and are not available for use by the School System.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proposition No. 2 Fund – This fund is used to account for the costs of major repairs and renovation of existing schools.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest and related costs for each type of bond issued.

Sales Tax Bonds Fund - This fund is used to accumulate sales tax revenues collected for the repayment of sales tax revenue bonds. In addition, this fund accounts for the repayment of the sales tax revenue bond principal and interest repayments and for other expenses authorized by the voters within the School System.

CENTRAL COMMUNITY SCHOOL SYSTEM

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2024
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

ASSETS	Special Revenue Funds						Debt Service	Capital	Total Nonmajor	
	Federal Grants	Improving America's Schools Act	Special Education	School Food Service	Student Activity	Total	Fund Sales Tax Bonds	Projects Fund Proposition No. 2	Governmental Funds	
									2024	2023
Cash	\$ -	\$ -	\$ -	\$ 1,042,227	\$ 1,456,947	\$ 2,499,174	\$ -	\$ 291	\$ 2,499,465	\$ 2,602,897
Investments	-	-	-	-	-	-	-	280,306	280,306	-
Receivables	396,252	290,439	128,869	37,560	-	853,120	396,457	-	1,249,577	1,126,776
Inventory	-	-	-	113,551	-	113,551	-	-	113,551	86,726
Due From Other Funds	-	-	-	138,093	-	138,093	-	-	138,093	135,174
Restricted Asset:										
Cash and Cash Equivalents	-	-	-	-	-	-	2,695,235	-	2,695,235	2,097,847
Total Assets	\$ 396,252	\$ 290,439	\$ 128,869	\$ 1,331,431	\$ 1,456,947	\$ 3,603,938	\$ 3,091,692	\$ 280,597	\$ 6,976,227	\$ 6,049,420
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Accounts, Salaries and Other Payables	\$ 37,169	\$ 94,666	\$ 1,580	\$ 313	\$ -	\$ 133,728	\$ -	\$ -	\$ 133,728	\$ 46,526
Due to Other Funds	83,031	195,588	127,289	-	-	405,908	3,139,544	274,733	3,820,185	2,593,113
Total Liabilities	120,200	290,254	128,869	313	-	539,636	3,139,544	274,733	3,953,913	2,639,639
Deferred Inflows of Resources:										
Deferred Inflows of Resources-										
Unavailable Intergovernmental Revenues	149,004	-	-	-	-	149,004	-	-	149,004	149,004
Fund Equity:										
Fund Balances - Nonspendable:										
Inventory	-	-	-	113,551	-	113,551	-	-	113,551	86,726
Restricted For:										
Capital Projects	-	-	-	-	-	-	-	5,864	5,864	-
Student Activities	-	-	-	-	1,456,947	1,456,947	-	-	1,456,947	1,363,597
Debt Service	-	-	-	-	-	-	(47,852)	-	(47,852)	272,501
Assigned To:										
School Lunch Program	-	-	-	1,217,567	-	1,217,567	-	-	1,217,567	1,411,679
Federal Grants	127,048	-	-	-	-	127,048	-	-	127,048	126,274
Unassigned	-	185	-	-	-	185	-	-	185	-
Total Fund Balances	127,048	185	-	1,331,118	1,456,947	2,915,298	(47,852)	5,864	2,873,310	3,260,777
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	\$ 396,252	\$ 290,439	\$ 128,869	\$ 1,331,431	\$ 1,456,947	\$ 3,603,938	\$ 3,091,692	\$ 280,597	\$ 6,976,227	\$ 6,049,420

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

	Special Revenue Funds						Debt Service	Capital Projects	Total Nonmajor	
	Federal Grants	Improving America's Schools Act	Special Education	School Food Service	Student Activity	Total	Funds Sales Tax Bonds	Fund Proposition No. 2	Governmental Funds	
									2024	2023
Revenues:										
Local Sources:										
Taxes:										
Sales and Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,771,666	\$ -	\$ 2,771,666	\$ 2,644,333
Interest Earnings	-	-	-	-	-	-	-	9	9	-
Food Services	-	-	-	740,863	-	740,863	-	-	740,863	828,344
Student Activities	-	-	-	-	2,590,624	2,590,624	-	-	2,590,624	2,311,974
Other	62,021	-	-	-	-	62,021	-	-	62,021	-
State Sources:									-	
Unrestricted Grants-in-Aid	-	-	-	30,000	-	30,000	-	-	30,000	30,000
Restricted Grants-in-Aid	-	-	-	28,720	-	28,720	-	-	28,720	-
Federal Sources:									-	
Unrestricted - Indirect								-	-	
Cost Recoveries	35,144	30,347	53,844	-	-	119,335	-	-	119,335	128,828
Restricted Grants-in-Aid - Subgrants	1,119,371	1,200,161	1,188,523	1,950,357	-	5,458,412	-	-	5,458,412	7,487,726
Other-Commodities	-	-	-	260,509	-	260,509	-	-	260,509	264,672
Total Revenues	1,216,536	1,230,508	1,242,367	3,010,449	2,590,624	9,290,484	2,771,666	9	12,062,159	13,695,877
Expenditures:										
Instruction:										
Regular Programs	412,174	-	-	-	1,513,318	1,925,492	-	-	1,925,492	1,868,975
Special Education Programs	-	-	471,579	-	6,742	478,321	-	-	478,321	591,000
Vocational Programs	62,021	-	-	-	5,816	67,837	-	-	67,837	63,121
Other Programs	4,235	103,507	-	-	781,847	889,589	-	-	889,589	1,448,820
Special Programs	-	372,682	-	-	-	372,682	-	-	372,682	336,982
Support Services:										
Pupil Support	528	7,292	611,894	-	1,636	621,350	-	-	621,350	719,929
Instructional Staff Support	234,901	493,380	70,172	-	60,917	859,370	-	-	859,370	1,001,616
General Administration	-	-	-	-	-	-	24,444	-	24,444	18,928
School Administration	109,711	-	-	-	126,998	236,709	-	-	236,709	418,201
Plant Services	306,004	-	-	-	-	306,004	-	8,448	314,452	1,064,357
Central Services	51,044	173,115	34,878	-	-	259,037	-	-	259,037	270,819
Non-Instructional Services:										
Food Services	-	-	-	3,177,736	-	3,177,736	-	-	3,177,736	3,161,922
Capital Outlay	-	50,000	-	-	-	50,000	-	-	50,000	50,815

(CONTINUED)

CENTRAL COMMUNITY SCHOOL SYSTEM

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2023)

	Special Revenue Funds					Debt Service	Capital Projects	Total Nonmajor	
	Federal Grants	Improving America's Schools Act	Special Education	School Food Service	Student Activity	Total	Funds Sales Tax Bonds	Fund Proposition No. 2	Governmental Funds 2024 2023
Expenditures (Continued):									
Debt Service:									
Principal Retirement	-	-	-	-	-	-	1,155,000	-	1,155,000 1,105,000
Interest and Bank Charges	-	-	-	-	-	-	412,575	-	412,575 453,176
Total Expenditures	1,180,618	1,199,976	1,188,523	3,177,736	2,497,274	9,244,127	1,592,019	8,448	10,844,594 12,573,661
Excess (Deficiency) of Revenue Over Expenditures	35,918	30,532	53,844	(167,287)	93,350	46,357	1,179,647	(8,439)	1,217,565 1,122,216
Other Financing Sources (Uses):									
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	-	-	-	-	-	14,303	14,303 -
Transfers Out	(35,144)	(30,347)	(53,844)	-	-	(119,335)	(1,500,000)	-	(1,619,335) (1,128,828)
Total Other Financing Sources (Uses)	(35,144)	(30,347)	(53,844)	-	-	(119,335)	(1,500,000)	14,303	(1,605,032) (1,128,828)
Net Change in Fund Balances	774	185	-	(167,287)	93,350	(72,978)	(320,353)	5,864	(387,467) (6,612)
Fund Balances at Beginning of Year	126,274	-	-	1,498,405	1,363,597	2,988,276	272,501	-	3,260,777 3,267,389
Fund Balances at End of Year	\$ 127,048	\$ 185	\$ -	\$ 1,331,118	\$ 1,456,947	\$ 2,915,298	\$ (47,852)	\$ 5,864	\$ 2,873,310 \$ 3,260,777

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

SPECIAL REVENUE FUND - FEDERAL GRANTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues:				
Local Sources:				
Other	\$ -	\$ 62,022	\$ 62,021	\$ (1)
Federal Sources:				
Federal Grants	1,338,031	1,376,529	1,154,515	(222,014)
Total Revenues	1,338,031	1,438,551	1,216,536	(222,015)
Expenditures:				
Instruction:				
Regular Programs	862,442	514,576	412,174	102,402
Vocational Programs	-	62,022	62,021	1
Other Programs	4,677	5,864	4,235	1,629
Special Programs	44	44	-	44
Support Services:				
Pupil Support	-	1,200	528	672
Instructional Staff Support	280,325	249,507	234,901	14,606
School Administration	145,590	140,403	109,711	30,692
Plant Services	820	402,006	306,004	96,002
Transportation Services	-	-	-	-
Central Services	-	18,798	51,044	(32,246)
Total Expenditures	1,293,898	1,394,420	1,180,618	213,802
Excess of Revenues Over Expenditures	44,133	44,131	35,918	(8,213)
Other Financing Sources (Uses):				
Transfers Out	(44,133)	(44,131)	(35,144)	8,987
Total Other Financing Sources (Uses)	(44,133)	(44,131)	(35,144)	8,987
Net Change in Fund Balance	-	-	774	774
Fund Balance at Beginning of Year	126,274	126,274	126,274	-
Fund Balance at End of Year	\$ 126,274	\$ 126,274	\$ 127,048	\$ 774

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

SPECIAL REVENUE FUND - IMPROVING AMERICA'S
SCHOOLS ACT FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 776,133	\$ 1,438,275	\$ 1,230,508	\$ (207,767)
Total Revenues	776,133	1,438,275	1,230,508	(207,767)
Expenditures:				
Instruction:				
Other Programs	-	64,699	103,507	(38,808)
Special Programs	178,705	429,185	372,682	56,503
Support Services:				
Pupil Support	9,054	11,406	7,292	4,114
Instructional Staff Support	440,739	712,103	493,380	218,723
Central Services	124,364	183,736	173,115	10,621
Capital Outlay	-	-	50,000	(50,000)
Total Expenditures	752,862	1,401,129	1,199,976	201,153
Excess of Revenues Over Expenditures	23,271	37,146	30,532	(6,614)
Other Financing Sources (Uses):				
Transfers Out	(23,271)	(37,146)	(30,347)	6,799
Total Other Financing Sources (Uses)	(23,271)	(37,146)	(30,347)	6,799
Net Change in Fund Balance	-	-	185	185
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance (Deficit) at End of Year	\$ -	\$ -	\$ 185	\$ 185

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM**SPECIAL REVENUE FUND - PUBLIC LAW 94-142 -
SPECIAL EDUCATION FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,030,718	\$ 1,417,979	\$ 1,242,367	\$ (175,612)
Total Revenues	1,030,718	1,417,979	1,242,367	(175,612)
Expenditures:				
Instruction:				
Special Education Programs	453,942	546,828	471,579	75,249
Support Services:				
Pupil Support	505,976	689,685	611,894	77,791
Instructional Staff Support	57,591	80,663	70,172	10,491
Central Services	12,000	39,742	34,878	4,864
Total Expenditures	1,029,509	1,356,918	1,188,523	168,395
Excess of Revenues Over Expenditures	1,209	61,061	53,844	(7,217)
Other Financing Sources (Uses):				
Transfers Out	(1,209)	(61,061)	(53,844)	7,217
Total Other Financing Sources (Uses)	(1,209)	(61,061)	(53,844)	7,217
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM

SPECIAL REVENUE FUND - SCHOOL FOOD SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues:				
Local Sources:				
Food Services	\$ 853,500	\$ 691,600	\$ 740,863	\$ 49,263
State Sources:				
Restricted Grants in Aid	-	-	28,720	28,720
Unrestricted Grants in Aid	30,000	30,000	30,000	-
Federal Sources:				
Federal Grants	1,660,000	2,005,143	1,950,357	(54,786)
Other-Commodities	311,945	311,945	260,509	(51,436)
Total Revenues	2,855,445	3,038,688	3,010,449	(28,239)
Expenditures:				
Support Services:				
Plant Services	350	350	-	350
Non-Instructional Services:				
Food Services	3,077,083	3,084,488	3,177,736	(93,248)
Total Expenditures	3,077,433	3,084,838	3,177,736	(92,898)
Net Change in Fund Balance	(221,988)	(46,150)	(167,287)	(121,137)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(221,988)	(46,150)	(167,287)	(121,137)
Fund Balance at Beginning of Year	1,498,405	1,498,405	1,498,405	-
Fund Balance at End of Year	\$ 1,276,417	\$ 1,452,255	\$ 1,331,118	\$ (121,137)

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2024

Roxanne Atkinson, President	\$ 9,000
Carol Burton-Norwood	7,800
Nicholas Carmena	7,800
Michael Davis	7,800
Jason Leaphart	7,800
Dr. David Walker, Vice President	7,800
	<hr/>
Total	<u>\$ 48,000</u>

Term of Current Board Expires December 31, 2026.

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD**

FOR THE YEAR ENDED JUNE 30, 2024

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by the Superintendent, who was the acting agency head, for the year ended June 30, 2024:

	<u>Dr. Jason Fountain</u>
Salary	\$ 168,902
Conference Travel	6,820
Membership Dues	750
Registration Fees	3,265
Housing, Car, and Phone Allowance	<u>14,400</u>
Total	<u>\$ 194,137</u>

See independent auditor's report.

CENTRAL COMMUNITY SCHOOL SYSTEM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Assistance Listing Number	Agency or Pass- Through Number	Passed-through to Subrecipients	Federal Expenditures
<u>United States Department of Agriculture</u>				
Child Nutrition Cluster				
Passed Through Louisiana Department of Agriculture and Forestry:				
National School Lunch Program	10.555	N/A	\$ -	\$ 260,509
Passed Through Louisiana Department of Education:				
Agricultural Marketing Service - Local Food for Schools	10.182	N/A	-	12,039
Summer Food Service Program	10.559	N/A	-	28,984
National School Lunch Program	10.555	N/A	-	1,480,560
Child and Adult Care Food Program (CACFP)	10.558	N/A	-	11,672
National Breakfast Program	10.553	N/A	-	417,102
Total Child Nutrition Cluster			-	2,210,866
Total United States Department of Agriculture			-	2,210,866
<u>United States Department of Education</u>				
Title I, Part A Cluster				
Passed Through Louisiana Department of Education:				
Title I - Grants to Local Educational Agencies	84.010A	28-22-T1-69	10,932	854,621
Special Education Cluster (IDEA)				
Passed Through Louisiana Department of Education:				
Individuals with Disabilities Educational Act Special Education IDEA	84.027A	28-22-B1-69	81,962	1,231,039
IDEA - Preschool	84.173A	28-22-P1-69	-	11,328
Total Special Education Cluster (IDEA)			81,962	1,242,367
Other Programs				
Passed Through Louisiana Department of Education:				
Title II - Teacher and Principal Training and Recruiting	84.367A	28-22-50-69	21,296	279,752
Title III - English Language Acquisition	84.365A	28-22-60-69	-	17,648
Vocational Education - (Carl Perkins)	84.048A	28-22-02-69	-	73,024
Title IV - Student Support and Academic Enrichment Program	84.424A	28-22-71-69	9,400	78,487

(CONTINUED)

CENTRAL COMMUNITY SCHOOL SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Assistance Listing Number	Agency or Pass- Through Number	Passed-through to Subrecipients	Federal Expenditures
COVID-19 - ESSERF II - Formula - Education Stabilization Func	84.425D	28-21-ES2F-69	-	28,237
COVID-19 - ESSERF II - Incentive - Education Stabilization Func	84.425D	28-21-ES2I-69	-	258,544
COVID-19 - ESSERF III - Formula - Education Stabilization Func	84.425U	28-21-ES3F-69	-	43,298
COVID-19 - ESSERF III - Incentive - Education Stabilization Func	84.425U	28-21-ES3I-69	-	658,138
COVID-19 - ESSER III EB Interventions - Education Stabilization Fund	84.425U	28-21-ESEB-69	-	93,274
Total Education Stabilization Fund			-	1,081,491
Total Other Programs			30,696	1,530,402
Total United States Department of Education			123,590	3,627,390
<u>United States Department of Defense</u>				
Direct Program:				
Reserve Officers' Training Corps	None	N/A	-	75,597
Total United States Department of Defense			-	75,597
Total Expenditures of Federal Awards			\$ 123,590	\$ 5,913,853

See independent auditor's report.

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CENTRAL COMMUNITY SCHOOL SYSTEM

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Note A - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Central Community School System and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note B - Food Distribution Program

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the Central Community School System had food commodities totaling \$9,541 in inventory.

Note C - Indirect Cost Rate Election

The School System did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2024.

Note D - Reconciliation of Federal Expenditures

Federal Assistance expended as reported on the Schedule of Expenditures of Federal Awards	<u>\$5,913,853</u>
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Revenues from Federal Sources as reported on:	
Statement E - All Governmental Fund Types - Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$5,913,853</u>

See independent auditor's report.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of the
Central Community School System
Central, Louisiana

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School System's internal control over financial reporting (internal control) to determine the 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 System's internal control. Accordingly, we do not express an opinion on the effectiveness of the School System's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School System'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 31, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of the
Central Community School System
Central, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Central Community School System's (the School System) 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, 2024. The School System'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 Central Community School System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 System 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 System'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 System'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 System'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 judgment made by a reasonable user of the report on compliance about the School System'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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School System'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 System'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 System's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully submitted,

Hannis T. Boudgeois, LLP

Denham Springs, Louisiana
December 31, 2024

CENTRAL COMMUNITY SCHOOL SYSTEM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

A. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified?	_____ Yes	<u> x </u> No
• Significant deficiencies identified?	_____ Yes	<u> x </u> None Reported
Noncompliance material to financial statements noted?	_____ Yes	<u> x </u> No
Other matter reported?	_____ Yes	<u> x </u> No

Federal Awards

Internal control over major programs:

• Material weaknesses identified?	_____ Yes	<u> x </u> No
• Significant deficiencies identified?	_____ Yes	<u> x </u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes	<u> x </u> No
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Identification of major programs:

Name of Federal Program or Cluster

**Assistance Listing
Number**

Title I Fund:

Title I - Grant to Local Educational Agencies

84.010A

- The threshold for distinguishing Types A and B programs was \$750,000.
- The School System was determined to be a low-risk auditee.

CENTRAL COMMUNITY SCHOOL SYSTEM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

B. Findings - Financial Reporting

1. Findings - Internal Control Over Financial Reporting

None

2. Findings - Compliance and Other Matters

None

C. Findings - Federal Awards Programs

1. Internal Control Over Compliance of Federal Awards

None

2. Findings - Compliance

None

CENTRAL COMMUNITY SCHOOL SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

A Findings - Financial Reporting

1. Findings - Internal Control Over Financial Reporting

Finding 2023-01 Payroll Deposit Information Change Controls (Significant Deficiency)

Corrective Action:

After the incident, the School System's administration immediately changed their procedures for submitting a change in direct deposit information. The Change in Direct Deposit Form was modified to include the old bank account as well as require the employee to hand deliver the change form directly to the school board office as well as provide a copy of the employee's driver's license with the documentation.

2. Findings - Compliance and Other Matters

Finding 2023-02 Timeliness of Reporting Misappropriation of Cash and Assets (Compliance Matter)

Corrective Action:

Management implemented a procedure for the School System to timely and properly notify the Louisiana Legislative Auditor, the District Attorney, and Law Enforcement Agency in any instance that the School System's agency head has actual knowledge of or reasonable cause to believe that there has been a misappropriation of the public funds or assets of his agency.

B. Findings - Federal Awards Programs

1. Internal Control Over Compliance of Federal Awards

None

2. Findings - Compliance

None

CENTRAL COMMUNITY SCHOOL SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

JUNE 30, 2024

CENTRAL, LOUISIANA



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Independent Accountant's Report
on Applying Agreed-Upon Procedures
For the Year Ended June 30, 2024

To the Members of the Board of the
Central Community School System
Central, Louisiana
And the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The Central Community School System's (the School System) management is responsible for those C/C areas identified in the SAUPs.

The School System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1 2023, through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions are as follows:

1) Written Policies and Procedures

- A. 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:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. - **No exceptions noted.**
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes. - **No exceptions noted.**
 - iii. ***Disbursements***, including processing, reviewing, and approving. - **No exceptions noted.**
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). - **No exceptions noted.**

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules. - **No exceptions noted.**
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process. - **No exceptions noted.**
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. - **No exceptions noted.**
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases). - **No exceptions noted.**
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy. - **No exceptions noted.**
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. - **No exceptions noted.**
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event. - **No exceptions noted.**
- xii. ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting. - **No exceptions noted.**

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. - **No exceptions noted.**
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. - **No exceptions noted.**
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal

period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund. - **No exceptions noted.**

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved. - **No exceptions noted.**

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged); - **No exceptions noted.**
 - ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and- **No exceptions noted.**
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. - **No exceptions noted.**

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). - **No exceptions noted.**
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers. - **No exceptions noted.**
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit. - **No exceptions noted.**
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit. - **No exceptions noted.**
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. - **No exceptions noted.**

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period. - **No exceptions noted.**
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered. - **No exceptions noted.**
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. - **No exceptions noted.**
 - iii. Trace the deposit slip total to the actual deposit per the bank statement. - **No exceptions noted.**
 - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer). - **No exceptions noted.**
 - v. Trace the actual deposit per the bank statement to the general ledger. - **No exceptions noted.**

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

- A. 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).- **No exceptions noted.**
- B. For each location selected under #5A 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:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. - **No exceptions noted.**
 - ii. At least two employees are involved in processing and approving payments to vendors. - **No exceptions noted.**
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. - **No exceptions noted.**
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. - **No exceptions noted.**
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means. - **No exceptions noted.**
- C. For each location selected under #5A 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: - **No exceptions noted.**

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and: - **No exceptions noted.**
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable. - **No exceptions noted.**
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.* - **No exceptions noted.**

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. - **No exceptions noted.**
- B. 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:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and. - **No exceptions noted.**
 - ii. Observe that finance charges and late fees were not assessed on the selected statements. - **No exceptions noted.**
- C. Using the monthly statements or combined statements selected under #6B 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. - **No exceptions noted.**

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected: - **No exceptions noted.**

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). - **No exceptions noted.**
- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. - **No exceptions noted.**
- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy procedure #1A(vii). - **No exceptions noted.**
- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. - **No exceptions noted.**

8) Contracts

- A. 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: - **No exceptions noted.**
 - i. 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. - **No exceptions noted.**
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter). - **No exceptions noted.**
 - iii. 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, the documented approval); and - **No exceptions noted.**
 - iv. 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. - **No exceptions noted.**

9) Payroll and Personnel

- A. 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. - **No exceptions noted.**
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). - **No exceptions noted.**
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials. - **No exceptions noted.**

- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. - **No exceptions noted.**
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file. - **No exceptions noted.**
- C. 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. - **No exceptions noted.**
- D. 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. - **No exceptions noted.**

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170; and - **No exceptions noted.**
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable. - **No exceptions noted.**
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170. - **No exceptions noted.**

11) Debt Service

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution. - **No exceptions noted.**
- B. 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). - **No exceptions noted.**

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523. - **There were no reports of misappropriations of public funds or assets noted during the fiscal period.**

- B. 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. - **No exceptions noted.**

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week. (b) was not stored on the government’s local server or network, and (c) was encrypted. - **We performed the procedure and discussed the results with management.**
 - ii. 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. - **We performed the procedure and discussed the results with management.**
 - iii. 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. - **We performed the procedure and discussed the results with management.**
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network. - **No exceptions noted.**
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- 1. Hired before June 9, 2020 - completed the training; and
 - 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.
- **No exceptions noted.**

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by 42:343. - **No exceptions noted.**
- B. 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). - **No exceptions noted.**

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: - **No exceptions noted.**

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

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

We are required to be independent of the School System 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 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.

Respectfully submitted,

Hannis T. Borgeois, LLP

Denham Springs, Louisiana
December 31, 2024