

ST. MARTIN PARISH SCHOOL BOARD

Breaux Bridge, Louisiana

Financial Report

Year Ended June 30, 2023

TABLE OF CONTENTS

| | Page |
|---|-------|
| Independent Auditors' Report | 1-4 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) | |
| Statement of net position | 7 |
| Statement of activities | 8 |
| FUND FINANCIAL STATEMENTS (FFS) | |
| Balance sheet - governmental funds | 10 |
| Reconciliation of the governmental funds balance sheet to the statement of net position | 11 |
| Statement of revenues, expenditures, and changes in fund balances- governmental funds | 12 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities | 13 |
| Statement of net position-internal service fund | 14 |
| Statement of revenues, expenses, and changes in net position - internal service fund | 15 |
| Statement of cash flows-internal service fund | 16-17 |
| Statement of fiduciary net position | 18 |
| Statement of changes in fiduciary net position | 19 |
| Notes to basic financial statements | 20-70 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Budgetary comparison schedule - General Fund | 72 |
| Budgetary comparison schedule - State and Local Special Revenue Fund | 73 |
| Budgetary comparison schedule - Federal Grant Fund | 74 |
| Schedule of changes in the school board's total OPEB liability and related ratios | 75 |
| Schedule of employer's share of net pension liability | 76 |
| Schedule of employer contributions | 77 |
| Notes to the required supplementary information | 78 |

(continued)

TABLE OF CONTENTS (continued)

| | Page |
|--|-------|
| SUPPLEMENTARY INFORMATION | |
| INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION | |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 81-82 |
| Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 83-85 |
| Schedule of expenditures of federal awards | 86-87 |
| Notes to schedule of expenditures of federal awards | 88 |
| Schedule of findings, questioned costs, and management's corrective action plan | 89-93 |
| Summary schedule of prior audit findings | 94 |
| Management's corrective action plan | 95 |
| OTHER INFORMATION | |
| SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 PERFORMANCE AND STATISTICAL DATA) | |
| Independent Accountants' Report on Applying Agreed-Upon Procedures | 97-99 |
| SCHEDULES RELATED TO AGREED-UPON PROCEDURES | |
| Schedules Required by State Law | 100 |
| Schedule 1 | 101 |
| Schedule 2 | 102 |

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INDEPENDENT AUDITORS' REPORT

Mr. Frederick Wiltz, Superintendent
and Members of the St. Martin Parish
School Board
Breaux Bridge, Louisiana

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design,

implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in the school board's total OPEB liability and related ratios, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 72 through 78 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.

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules required by state law but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the St. Martin Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Martin Parish School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government*

Auditing Standards in considering the St. Martin Parish School Board's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 27, 2023

BASIC FINANCIAL STATEMENTS

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

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Statement of Net Position
June 30, 2023

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and interest-bearing deposits | \$ 9,201,865 |
| Investments | 47,187,165 |
| Receivables | 3,850,348 |
| Due from other governmental agencies | 5,385,037 |
| Inventories | 321,383 |
| Prepaid items | 1,573,045 |
| Other current assets | 35,103 |
| Capital assets: | |
| Land and construction in progress | 2,807,270 |
| Capital assets, net | <u>136,321,357</u> |
| TOTAL ASSETS | <u>206,682,573</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amount on pension | 24,120,420 |
| Deferred amount on postemployment benefit plan | 16,555,199 |
| Deferred amount on bond refunding | <u>319,687</u> |
| Total deferred outflows of resources | <u>40,995,306</u> |
| LIABILITIES | |
| Salaries and payroll tax liabilities | 7,840,537 |
| Claims payable | 3,640,698 |
| Accounts and other payables | 2,539,209 |
| Contracts and retainage payable | 25,504 |
| Unearned revenue | 733,967 |
| Interest payable | 1,099,491 |
| Long-term liabilities: | |
| Due within one year | 8,440,187 |
| Due in more than one year | 93,461,751 |
| OPEB obligation payable | 101,095,048 |
| Net pension liability | <u>86,446,512</u> |
| TOTAL LIABILITIES | <u>305,322,904</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred amount on pension | 2,965,415 |
| Deferred amount on post employment benefit plan | <u>10,964,319</u> |
| Total deferred inflows of resources | <u>13,929,734</u> |
| NET POSITION | |
| Net investment in capital assets | 49,850,987 |
| Restricted for: | |
| Salaries and benefits | 5,361,834 |
| Debt service | 2,606,905 |
| Unrestricted (deficit) | <u>(129,394,485)</u> |
| TOTAL NET POSITION | <u>\$ (71,574,759)</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position Governmental Activities |
|---|-----------------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Instruction: | | | | | |
| Regular education programs | \$ 33,708,110 | \$ - | \$ 213,582 | \$ - | \$ (33,494,528) |
| Special education programs | 8,356,201 | - | 144,844 | - | (8,211,357) |
| Vocational education programs | 1,608,311 | - | 44,134 | - | (1,564,177) |
| Other instructional programs | 3,391,707 | - | 1,135,943 | - | (2,255,764) |
| Special programs | 10,551,572 | - | 9,014,325 | - | (1,537,247) |
| Support services: | | | | | |
| Pupil support services | 7,667,925 | - | 1,115,529 | - | (6,552,396) |
| Instructional staff support | 5,527,182 | - | 1,471,430 | - | (4,055,752) |
| General administration | 2,896,241 | 122,054 | 163,057 | - | (2,611,130) |
| School administration | 6,063,694 | - | 395,361 | - | (5,668,333) |
| Business services | 1,332,298 | - | - | - | (1,332,298) |
| Operation and maintenance of plant services | 11,146,674 | - | 544,131 | - | (10,602,543) |
| Student transportation services | 6,813,345 | - | 129,065 | - | (6,684,280) |
| Central services | 1,182,823 | - | - | - | (1,182,823) |
| Food services | 7,343,373 | 32,670 | 4,895,232 | - | (2,415,471) |
| Community service programs | 64,598 | - | 26,505 | - | (38,093) |
| Interest on long-term debt | 3,515,207 | - | - | - | (3,515,207) |
| Total governmental activities | \$ 111,169,261 | \$ 154,724 | \$ 19,293,138 | \$ - | \$ (91,721,399) |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | | | | | 5,582,550 |
| Property taxes, levied for debt service | | | | | 9,286,950 |
| Sales and use taxes | | | | | 21,072,053 |
| Grants and contributions not restricted to specific programs: | | | | | |
| Federal source - ESSER grant | | | | | 10,219,548 |
| State source - Minimum Foundation Program | | | | | 42,407,951 |
| State source - PIPS | | | | | 4,880 |
| State revenue sharing | | | | | 248,010 |
| Miscellaneous | | | | | 4,003,939 |
| Total general revenues | | | | | 92,825,881 |
| Change in net position | | | | | 1,104,482 |
| Net position - July 1, 2022 | | | | | (72,679,241) |
| Net position - June 30, 2023 | | | | | \$ (71,574,759) |

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

FUND FINANCIAL STATEMENTS (FFS)

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Balance Sheet - Governmental Funds
June 30, 2023

| | General Fund | State and Local Special Revenue Fund | Federal Grant Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|----------------------|--|-----------------------|--------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and interest-bearing deposits | \$ 7,188,235 | \$ 917,485 | \$ 10,996 | \$ 46,157 | \$ 403,040 | \$ 8,565,913 |
| Investments | 28,964,357 | 4,663,143 | - | 9,369,649 | 2,152,532 | 45,149,681 |
| Receivables - | | | | | | |
| Accrued interest | 76,136 | - | - | - | - | 76,136 |
| Taxes receivable | 898,331 | 916,747 | - | - | - | 1,815,078 |
| Due from other funds | 4,933,577 | 90,244 | - | 355,507 | - | 5,379,328 |
| Due from other governmental agencies | - | 1,211,852 | 3,643,001 | - | 530,184 | 5,385,037 |
| Other receivables | 752,163 | 34,776 | - | - | 40,337 | 827,276 |
| Inventories, at cost | - | 321,383 | - | - | - | 321,383 |
| Prepaid expenses | 1,573,045 | - | - | - | - | 1,573,045 |
| Other current assets | 35,105 | - | - | - | - | 35,105 |
| Total assets | <u>\$ 44,420,949</u> | <u>\$ 8,155,630</u> | <u>\$ 3,653,997</u> | <u>\$ 9,771,313</u> | <u>\$ 3,126,093</u> | <u>\$ 69,127,982</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts and other payables | \$ 1,653,803 | \$ 1,649,013 | \$ 17,347 | \$ 513,920 | \$ 1,601 | \$ 3,835,684 |
| Contracts and retainage payable | - | - | - | 25,504 | - | 25,504 |
| Salaries and payroll taxes payable | 7,840,537 | - | - | - | - | 7,840,537 |
| Claims payable | 1,800,000 | - | - | - | - | 1,800,000 |
| Due to other funds | 2,668 | 89,832 | 3,636,650 | 1,146,817 | 517,587 | 5,393,554 |
| Unearned revenue | 399 | 733,568 | - | - | - | 733,967 |
| Total liabilities | <u>11,297,407</u> | <u>2,472,413</u> | <u>3,653,997</u> | <u>1,686,241</u> | <u>519,188</u> | <u>19,629,246</u> |
| Fund Balances: | | | | | | |
| Nonspendable | 1,573,045 | 321,383 | - | - | - | 1,894,428 |
| Restricted | 6,833,710 | 5,361,834 | - | 7,798,951 | 2,606,905 | 22,601,400 |
| Committed | 18,345,357 | - | - | - | - | 18,345,357 |
| Assigned | 2,808,207 | - | - | 286,121 | - | 3,094,328 |
| Unassigned | 3,563,223 | - | - | - | - | 3,563,223 |
| Total fund balances | <u>33,123,542</u> | <u>5,683,217</u> | <u>-</u> | <u>8,085,072</u> | <u>2,606,905</u> | <u>49,498,736</u> |
| Total liabilities and fund balances | <u>\$ 44,420,949</u> | <u>\$ 8,155,630</u> | <u>\$ 3,653,997</u> | <u>\$ 9,771,313</u> | <u>\$ 3,126,093</u> | <u>\$ 69,127,982</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

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

| | | |
|---|---------------------|------------------------|
| Total fund balances for governmental funds at June 30, 2023 | | \$ 49,498,736 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Cost of capital assets at June 30, 2023 | \$ 214,816,323 | |
| Less: Accumulated depreciation as of June 30, 2023: | | |
| Buildings | (67,603,950) | |
| Movable property | <u>(8,083,746)</u> | 139,128,627 |
| The deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds: | | |
| Pension | \$ 24,120,420 | |
| Postemployment benefit plan | 16,555,199 | |
| Bond refunding | <u>319,687</u> | 40,995,306 |
| Long-term liabilities are not due and payable in the current period and are therefore not reported in the governmental funds: | | |
| Bonds payable | \$ (97,076,591) | |
| Compensated absences payable | (4,825,347) | |
| Net OPEB obligation payable | (101,095,048) | |
| Net pension liability | (86,446,512) | |
| Accrued interest payable | <u>(1,099,491)</u> | (290,542,989) |
| The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds: | | |
| Pension | \$ (2,965,415) | |
| Post employment benefit plan | <u>(10,964,319)</u> | (13,929,734) |
| Receivable recorded under the accrual basis of accounting (some revenues were not considered measurable at year-end) | | 1,084,908 |
| Assets and liabilities of Self - Insurance Internal Service Fund (the internal service fund is used by management to charge the costs of certain activities to individual funds); the assets and liabilities are included in governmental activities in the Statement of Net Position | | <u>2,190,387</u> |
| Net position at June 30, 2023 | | <u>\$ (71,574,759)</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

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

| | General Fund | State and Local Special Revenue Fund | Federal Grant Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--|-----------------------|--------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Local sources - | | | | | | |
| Ad valorem taxes | \$ 5,582,550 | \$ - | \$ - | \$ - | \$ 9,286,950 | \$ 14,869,500 |
| Sales taxes | 10,475,270 | 10,596,783 | - | - | - | 21,072,053 |
| Transportation | 2,801 | - | - | - | - | 2,801 |
| Investment earnings (loss) | 771,915 | 114,732 | - | 347,264 | 57,647 | 1,291,558 |
| Rentals, leases, and royalties | 122,054 | - | - | - | - | 122,054 |
| Income from meals | - | 32,670 | - | - | - | 32,670 |
| Contributions and donations | 650 | - | - | - | - | 650 |
| Medicaid | 764,488 | - | - | - | - | 764,488 |
| Kid Med | 173,608 | - | - | - | - | 173,608 |
| Other miscellaneous revenues | 183,679 | 393,558 | - | - | - | 577,237 |
| State sources - | | | | | | |
| Unrestricted grants-in-aid | 42,407,951 | 47,689 | - | - | - | 42,455,640 |
| Restricted grants-in-aid | 96,230 | 2,331,849 | - | - | - | 2,428,079 |
| Revenue in lieu of taxes | 248,010 | - | - | - | - | 248,010 |
| Federal sources - | | | | | | |
| Restricted revenues | 83,124 | - | 483,882 | - | - | 567,006 |
| Restricted grants-in-aid through the state | - | 5,480,384 | 18,007,580 | - | 3,604,878 | 27,092,842 |
| Value of USDA Commodities | - | 419,099 | - | - | - | 419,099 |
| Total revenues | <u>60,912,330</u> | <u>19,416,764</u> | <u>18,491,462</u> | <u>347,264</u> | <u>12,949,475</u> | <u>112,117,295</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Instruction - | | | | | | |
| Regular education programs | 31,463,507 | 35,438 | - | - | - | 31,498,945 |
| Special education programs | 7,476,882 | - | 361,440 | - | - | 7,838,322 |
| Vocational education programs | 1,438,010 | 22,866 | 53,072 | - | - | 1,513,948 |
| Other instructional programs | 750,706 | 98,358 | 2,315,351 | - | 109,727 | 3,274,142 |
| Special programs | 476,338 | 1,826,817 | 8,441,211 | - | 2,700,003 | 13,444,369 |
| Support services - | | | | | | |
| Pupil support services | 5,202,987 | 487,954 | 1,564,357 | - | - | 7,255,298 |
| Instructional staff services | 2,481,527 | 95,317 | 2,066,833 | - | 547,847 | 5,191,524 |
| General administration | 2,622,807 | 159,527 | - | - | 3,530 | 2,785,864 |
| School administration | 5,019,069 | 206,307 | 471,761 | - | - | 5,697,137 |
| Business services | 1,253,270 | 171 | - | - | - | 1,253,441 |
| Operation and maintenance of plant | 9,568,919 | 60,810 | 1,206,066 | - | - | 10,835,795 |
| Student transportation services | 6,015,779 | 2,615 | 308,773 | - | 2,713 | 6,329,880 |
| Central services | 1,058,026 | - | 65,528 | - | - | 1,123,554 |
| Food service | 619,102 | 6,039,128 | 199,264 | - | - | 6,857,494 |
| Community service programs | 62,839 | - | - | - | 74 | 62,913 |
| Construction Services | - | - | 28,596 | 1,656,847 | - | 1,685,443 |
| Debt service | - | - | - | - | 9,819,059 | 9,819,059 |
| Total expenditures | <u>75,509,768</u> | <u>9,035,308</u> | <u>17,082,252</u> | <u>1,656,847</u> | <u>13,182,953</u> | <u>116,467,128</u> |
| Excess (deficiency) of revenues over expenditures | (14,597,438) | 10,381,456 | 1,409,210 | (1,309,583) | (233,478) | (4,349,833) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 12,024,209 | 8,057 | - | - | - | 12,032,266 |
| Transfers out | - | (10,382,072) | (1,409,210) | - | (240,984) | (12,032,266) |
| Total other financing sources (uses) | <u>12,024,209</u> | <u>(10,374,015)</u> | <u>(1,409,210)</u> | <u>-</u> | <u>(240,984)</u> | <u>-</u> |
| Net change in fund balance | (2,573,229) | 7,441 | - | (1,309,583) | (474,462) | (4,349,833) |
| FUND BALANCES, BEGINNING | <u>35,696,771</u> | <u>5,675,776</u> | <u>-</u> | <u>9,394,655</u> | <u>3,081,367</u> | <u>53,848,569</u> |
| FUND BALANCES, ENDING | <u>\$ 33,123,542</u> | <u>\$ 5,683,217</u> | <u>\$ -</u> | <u>\$ 8,085,072</u> | <u>\$ 2,606,905</u> | <u>\$ 49,498,736</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

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

| | |
|--|-----------------------------------|
| Total net change in fund balances for the year ended June 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ (4,349,833) |
| Add: Facilities acquisition and construction costs which are considered expenditures | 5,436,951 |
| Less: Depreciation expense for year ended June 30, 2023 | (5,242,923) |
| Add: Net loss of the Self - Insurance Internal Service Fund (the internal service fund is used by management to charge the costs of certain activities to individual funds; the net revenue (expense) are included in governmental activities in the statement of activities) | (241,838) |
| Add: Revenue recorded under the accrual basis of accounting | 195,346 |
| Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price does not affect the statement of revenues, expenditures, and changes in fund balances. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated. | (38,898) |
| Revenues and expenses not resulting in current financial resources or use thereof, and therefore, not reported as revenues or expenditures in the governmental funds: | |
| Bond principal retirement | \$ 5,975,000 |
| Interest accrued on long term debt | 70,429 |
| Amortization of bond premium | 389,120 |
| Amortization of deferred outflow on bond premium | (130,697) |
| Net change in compensated absences payable | (217,938) |
| Net change in OPEB liability and related deferreds | (3,173,509) |
| Net change in pension liability and related deferreds | <u>2,433,272</u> <u>5,345,677</u> |
| Total change in net position for the year ended June 30, 2023 per Statement of Activities | <u>\$ 1,104,482</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Statement of Net Position
Proprietary Fund - Internal Service Fund
June 30, 2023

ASSETS

Current Assets:

| | |
|------------------------------------|------------------|
| Cash and interest-bearing deposits | \$ 635,952 |
| Investment | 2,037,484 |
| Due from other funds | 14,226 |
| Other receivables | <u>46,948</u> |
| Total assets | <u>2,734,610</u> |

DEFERRED OUTFLOWS OF RESOURCES

-

LIABILITIES

Current Liabilities:

| | |
|-------------------|----------------|
| Claims payable | <u>544,223</u> |
| Total liabilities | <u>544,223</u> |

DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net position:

| | |
|------------------------------------|---------------------|
| Unrestricted | <u>2,190,387</u> |
| Total liabilities and net position | <u>\$ 2,734,610</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Internal Service Fund
For the Year Ended June 30, 2023

| | |
|----------------------------|---------------------|
| Operating Revenues: | |
| Charges for services - | |
| Employer contributions | \$ 414,309 |
| Other recoveries | <u>20,475</u> |
| Total operating revenues | <u>434,784</u> |
| | |
| Operating Expenses: | |
| Contractual services | 74,404 |
| Premium payments | 118,625 |
| Claim payments | <u>578,292</u> |
| Total operating expenses | <u>771,321</u> |
| | |
| Operating loss | (336,537) |
| | |
| Nonoperating Revenue: | |
| Interest earned | <u>94,699</u> |
| Total nonoperating revenue | <u>94,699</u> |
| | |
| Change in net position | (241,838) |
| | |
| Net position, beginning | <u>2,432,225</u> |
| Net position, ending | <u>\$ 2,190,387</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Statement of Cash Flows
Proprietary Fund - Internal Service Fund
For the Year ended June 30, 2023

| | |
|---|---------------------|
| Cash flows from operating activities: | |
| Receipts from other funds and employees | \$ 479,595 |
| Payments to providers and employees | <u>(720,923)</u> |
| Net cash used by operating activities | (241,328) |
| | |
| Cash flows from investing activities: | |
| Interest on investments | 94,699 |
| | |
| Cash flows from noncapital financing activities: | |
| Transfer from other fund | <u>44,064</u> |
| Net decrease in cash and cash equivalents | (102,565) |
| | |
| Cash and cash equivalents, beginning of period | <u>2,776,001</u> |
| Cash and cash equivalents, end of period | <u>\$ 2,673,436</u> |
| | |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating loss | |
| Adjustments to reconcile operating income to net cash used by operating activities: | \$ (336,537) |
| Changes in current assets and liabilities: | |
| Decrease in receivables | 44,811 |
| Increase in payables | <u>50,398</u> |
| Net cash used by operating activities | <u>\$ (241,328)</u> |

(continued)

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Statement of Cash Flows (Continued)
Proprietary Fund - Internal Service Fund
For the Year ended June 30, 2023

Reconciliation of cash and cash equivalents per statement
of cash flows to the statement of net position:

| | |
|--|---------------------|
| Cash and cash equivalents, beginning of period - | |
| Cash and interest-bearing deposits | \$ 814,825 |
| Investments | <u>1,961,176</u> |
| Total cash and cash equivalents | <u>2,776,001</u> |
| | |
| Cash and cash equivalents, end of period - | |
| Cash and interest-bearing deposits | 635,952 |
| Investments | <u>2,037,484</u> |
| Total cash and cash equivalents | <u>2,673,436</u> |
| | |
| Net decrease | <u>\$ (102,565)</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Statement of Fiduciary Net Position
June 30, 2023

| | <u>Custodial Fund</u> |
|--|---------------------------|
| ASSETS | |
| Cash and interest-bearing deposits | \$ 134,230 |
| Investments | 86,427 |
| Accounts Receivable | 3,406,578 |
| Due from local governments | <u>19,515</u> |
| Total assets | <u>3,646,750</u> |
| LIABILITIES | |
| Accounts payable and other liabilities | <u>3,646,750</u> |
| Total liabilities | <u>3,646,750</u> |
| NET POSITION | |
| Restricted for specific purposes | <u>\$ -</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

| | <u>Custodial Fund</u> |
|---|---------------------------|
| ADDITIONS | |
| Sales tax collections for other governments | \$ 43,498,451 |
| Miscellaneous | <u>35,224</u> |
| Total additions | <u>43,533,675</u> |
| DEDUCTIONS | |
| Payments of sales tax to other governments | <u>(43,533,675)</u> |
| Total deductions | <u>(43,533,675)</u> |
| Change in fiduciary net position | - |
| Net position - beginning | <u>-</u> |
| Net position - ending | <u>\$ -</u> |

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

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements

Introduction

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

The School Board operates sixteen schools within the parish. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students. The School Board collects sales taxes levied in St. Martin Parish on behalf of itself and all other governmental units.

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Martin Parish School Board have been prepared in conformity with generally accepted accounting principles (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. The accounting and reporting framework and the more significant accounting policies are discussed below.

A. Financial Reporting Entity

For financial reporting purposes, the School Board includes all funds and activities that are within the oversight responsibility of the School Board. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, and because of the scope of public service provided by the School Board, the School Board is a separate governmental reporting entity, primary government.

The School Board is not a component unit of any other entity and does not have any component units, which require inclusion in the financial statements of the School Board.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the School Board, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. The School Board's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" of revenues and expenses. Fiduciary funds are

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

not included in the GWFS. Fiduciary funds are reported only in the fiduciary financial statements at the fund financial statement level.

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

Fund Financial Statements (FFS)

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

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

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

The School Board reports the following major governmental funds:

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

The major special revenue funds are the State and Local Special Revenue Fund (which is comprised of the School Lunch, the Other State Grants, the Health Centers, the School Activity, and the 1965 Sales Tax activities) and the Federal Grant Fund (which is comprised of IDEA and Preschool, and Other Federal Grants). These funds account for revenues and expenditures related to certain federal, state, and local grant and entitlement programs as well as other legally restricted funds.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

The Capital Projects Fund, which includes the 2011 Construction, the 2013 Construction, the 2016 Construction, the Capital Projects, and the Transportation activities, is also considered to be a major fund. This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities as well as various school improvements.

Additionally, the School Board reports the following fund types:

The nonmajor special revenue fund type includes the Federal Titles Fund (which is comprised of Title I and Carryover and No Child Left Behind Titles II through VI). This fund accounts for the revenues and expenditures related to certain federal, state and local grant and entitlement programs.

The Debt Service Fund, established to meet requirements of bond ordinances, is also considered to be a nonmajor fund. It is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following is the School Board's proprietary fund type:

Internal Service Funds

The Internal Service Fund (proprietary fund type) is used to account for the accumulation of resources for and the payment of benefits by the School Board's workers' compensation insurance program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from contributions made from the employer and employees. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) actual claims and estimated liabilities for claims incurred but not yet reported at year-end, and (3) operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds -

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support School Board programs. The School Board has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

The School Board's fiduciary fund is presented in the fiduciary fund financial statements by type (pension, private purpose and custodial). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The School Board has only one fiduciary fund which is a custodial fund.

Sales Tax Fund – accounts for the collection and distribution of all sales taxes levied in the parish of St. Martin.

C. Measurement Focus/ Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, the governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental and fiduciary funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets/statements of fiduciary net position. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance/net position as their measure of available spendable financial resources at the end of the period.
- b. The proprietary (internal service) fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

inflows of resources resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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

Program revenues

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

Allocation of indirect expenses

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

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received from the St. Martin Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Interest income on time deposits is recorded when earned.

Sales and use tax revenues are recorded in the month earned by the School Board.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Other Financing Sources (Uses)

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

Unearned Revenues

Unearned revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and the revenue is recognized.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. In the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Under state law the School Board 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. The School Board may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2023, the School Board's investments in LAMP are stated at market value. See additional information in Note 4.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables as well as due to and from other funds are eliminated in the Statement of Net Position.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. The majority of this balance is comprised of federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the School Lunch Special Revenue Fund consists of expendable supplies and food purchased by the School Board and commodities granted by the

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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 or used. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|----------------------------|---------------|
| Buildings and improvements | 20 - 40 years |
| Furniture and equipment | 5 - 15 years |

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

The School Board 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, 2003 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated Absences

All twelve month employees earn from ten to fifteen days of vacation leave each year, depending on their length of service with the School Board, which are not

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

credited to the employee until the first day of the year subsequent to the year that vacation was earned. Newly hired employees earn vacation on a pro rata basis. An employee cannot accumulate more than two years of earned vacation. Any excess is lost. Employees are paid for unused vacation (subject to a two year limitation) at the time of resignation.

All twelve month employees earn from twelve to eighteen days of sick leave each year. Teachers and other nine month employees earn ten days of sick leave each year. Sick leave may be accumulated. 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 is used in the retirement benefit computation as earned service. Under the Louisiana School Employees' Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the computation of retirement benefits as earned service. Upon resignation, all sick leave is forfeited.

Sabbatical leave may be granted for medical reasons 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. Due to its restrictive nature, sabbatical leave benefits are recorded as an expenditure in the period paid.

In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

At June 30, 2023, employees of the School Board have accumulated and vested \$ 4,825,347 of compensated absence benefits payable.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board's only Proprietary Fund is the Self-Insurance Internal Service Fund, which has no long-term debt, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows. Proprietary fund equity is classified the same as in the government-wide statements.

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

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

Committed – amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

level of decision-making authority for the School Board office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

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

Unassigned – all other spendable amounts.

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

In fiscal year 2009 the School Board members established a stabilization policy. Under this policy, a portion of the fund balance of the General Fund is committed for stabilization arrangements, such as might be needed in emergency situations. The policy states that, at fiscal year end, an amount approximately equal to 25 percent of the total General Fund expenditures is committed for use in covering Board declared emergencies, including natural disasters. At June 30, 2023, \$18,345,357 of the fund balance for the General Fund was reported as committed for economic stabilization.

E. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

| <u>Revenue Source</u> | <u>Legal Restrictions on Use</u> |
|-----------------------|----------------------------------|
| Sales and use taxes | See Note 11 |
| Ad valorem taxes | See Note 5 |

The School Board uses unrestricted resources only when restricted resources are fully depleted.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items. The prepaid items that existed at June 30, 2023 were prepaid insurance and supplies.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Fund Balance Classification Details

As of June 30, 2023, fund balances are composed of the following:

| | General Fund | State and Local Special Revenue Funds | Federal Grant Fund | Capital Projects Funds | All Other Non-Major Governmental Funds | Total Governmental Funds |
|---------------------------------------|----------------------|--|--------------------------|------------------------------|---|--------------------------------|
| Nonspendable: | | | | | | |
| Inventories | \$ - | \$ 321,383 | \$ - | \$ - | \$ - | \$ 321,383 |
| Prepaid items | 1,573,045 | - | - | - | - | 1,573,045 |
| Restricted: | | | | | | |
| Debt retirement | - | - | - | - | 2,606,905 | 2,606,905 |
| Capital expenditures | - | - | - | 7,798,951 | - | 7,798,951 |
| Group health | 1,645,111 | - | - | - | - | 1,645,111 |
| Allowed uses per sales tax ordinances | 5,172,167 | 5,361,834 | - | - | - | 10,534,001 |
| Scholarships | 16,432 | - | - | - | - | 16,432 |
| Committed: | | | | | | |
| Economic stabilization | 18,345,357 | - | - | - | - | 18,345,357 |
| Assigned: | | | | | | |
| Health centers | 1,726,447 | - | - | - | - | 1,726,447 |
| Capital expenditures | 15,000 | - | - | 286,121 | - | 301,121 |
| Technology | 490,209 | - | - | - | - | 490,209 |
| Allowed uses per sales tax ordinances | 576,551 | - | - | - | - | 576,551 |
| Unassigned: | 3,563,223 | - | - | - | - | 3,563,223 |
| Total fund balances | <u>\$ 33,123,542</u> | <u>\$ 5,683,217</u> | <u>\$ -</u> | <u>\$ 8,085,072</u> | <u>\$ 2,606,905</u> | <u>\$ 49,498,736</u> |

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the School Board has cash and interest-bearing deposits (book balances) totaling \$9,336,095 as follows:

| | Governmental Funds | Fiduciary Funds | Total |
|------------------------------------|-----------------------|--------------------|--------------|
| Demand deposits | \$ 62,659 | \$ 137,106 | \$ 199,765 |
| Interest-bearing deposits | 9,136,330 | - | 9,136,330 |
| Amounts owed to governmental funds | 2,876 | (2,876) | - |
| Total | \$ 9,201,865 | \$ 134,230 | \$ 9,336,095 |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Cash Funds invested at US Bank are protected from loss and backed by the full faith and credit of the United States of America. Deposit balances (bank balances) at June 30, 2023 are secured as follows:

| | |
|---|---------------|
| Bank balances | \$ 12,250,538 |
| At June 30, 2023 the deposits are secured as follows: | |
| Insured (FDIC) | \$ 780,494 |
| Pledged securities | 11,470,044 |
| Total | \$ 12,250,538 |

Deposits in the amount of \$11,470,044 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the School Board's name. The School Board does not have a policy for custodial credit risk.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Investments

The School Board can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The School Board's investments are categorized to give an indication of the level of risk assumed by it at year-end.

Investments consist of amounts on deposit with the Louisiana Asset Management Pool (LAMP), US Bank, and certificates of deposit with local banks. The certificates of deposit are in the amount of \$621,988. An investment in the amount of \$26,301,507 at June 30, 2023 is deposited in LAMP, a local government investment pool, of which \$86,427 is attributable to the fiduciary fund, which is not presented in the statement of net position.

The amortized cost of this investment at June 30, 2023 was also \$26,301,507.

In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk, and is not in the three categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. 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 LA-R.S. 33:2955.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a 7, which governs registered money market funds.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. 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.

An investment in the amount of \$20,350,097 at June 30, 2023 is deposited into US Bank. These investments are permitted by Louisiana Revised Statute 33:2955.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

As of June 30, 2023 the investments in US Bank were comprised of the following:

| Description; bond rating | Maturities | Cost | Unrealized Gain / (Loss) | Fair Values |
|---|------------|----------------------|-----------------------------|----------------------|
| U S Treasury Note; AAA | 08/31/2023 | \$ 511,875 | \$ (14,995) | \$ 496,880 |
| FNMA Note; AAA | 11/27/2023 | 550,150 | (11,403) | 538,747 |
| FNMA Note; AAA | 02/28/2024 | 1,000,000 | (33,840) | 966,160 |
| Federal Farm Credit Bank; AAA | 03/04/2024 | 998,890 | (33,590) | 965,300 |
| FHLMC Note; AAA | 05/24/2024 | 700,000 | (31,486) | 668,514 |
| FHLMC Note; AAA | 07/29/2024 | 975,000 | (49,784) | 925,216 |
| U S Treasury Note; AAA | 09/30/2024 | 947,180 | (81,740) | 865,440 |
| Federal Farm Credit Bank; AAA | 10/15/2024 | 748,687 | (45,840) | 702,847 |
| Federal Home Loan Bank; AAA | 10/28/2024 | 900,000 | (51,552) | 848,448 |
| U S Treasury Note; AAA | 11/30/2024 | 1,029,297 | (79,847) | 949,450 |
| Federal Home Loan Bank; AAA | 02/25/2025 | 1,000,000 | (57,440) | 942,560 |
| U S Treasury Note; AAA | 05/31/2025 | 927,230 | (109,105) | 818,125 |
| Federal Home Loan Bank; AAA | 06/13/2025 | 999,250 | (71,170) | 928,080 |
| Federal Home Loan Bank; AAA | 06/16/2025 | 750,000 | (54,037) | 695,963 |
| FNMA Note; AAA | 08/19/2025 | 493,170 | (38,365) | 454,805 |
| Federal Home Loan Bank; AAA | 11/18/2025 | 1,000,000 | (79,670) | 920,330 |
| FNMA Note; AAA | 12/30/2025 | 1,001,850 | (98,960) | 902,890 |
| U S Treasury Note; AAA | 01/31/2026 | 813,516 | (99,756) | 713,760 |
| U S Treasury Note; AAA | 02/15/2026 | 1,039,922 | (113,202) | 926,720 |
| Federal Home Loan Bank; AAA | 03/13/2026 | 398,416 | (2,744) | 395,672 |
| Federal Home Loan Bank; AAA | 03/12/2027 | 1,018,400 | (19,610) | 998,790 |
| U S Treasury Note; AAA | 03/31/2027 | 983,906 | (46,756) | 937,150 |
| Federal Home Loan Bank; AAA | 06/11/2027 | 897,300 | (1,485) | 895,815 |
| U S Treasury Note; AAA | 09/30/2027 | 405,750 | (7,986) | 397,764 |
| Bentonville Ar Sales Use Tax Bonds; AA- | 11/01/2023 | 500,000 | (8,310) | 491,690 |
| Tangipahoa Parish La Wtr Dist; AA | 12/01/2024 | 100,000 | (5,459) | 94,541 |
| Tarrant Regl Wtr Dist Tx Wtr; AAA | 09/01/2025 | 1,000,000 | (91,560) | 908,440 |
| Total | | \$ 21,689,789 | \$ (1,339,692) | \$ 20,350,097 |

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The School Board's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the School Board's debt type investments to this risk, using the segmented time distribution model is shown above.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the School Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. At June 30, 2023, the School Board held investments of \$20,350,097 of which the underlying securities are backed by the full faith and credit of the United States of America.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Ad Valorem Taxes

For the year ended June 30, 2023, taxes of 33.41 mills were levied on property with assessed valuations totaling \$521,900,313 and were dedicated as follows:

| | Millages | |
|---------------------------|----------|-------|
| | 2023 | 2022 |
| Parishwide taxes: | | |
| Constitutional | 2.42 | 2.42 |
| Special school- | | |
| Maintenance | 7.91 | 7.91 |
| Operation and maintenance | 1.58 | 1.58 |
| School bonds | 21.50 | 21.50 |

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2023, taxes were levied by the School Board in July and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of St. Martin Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions. Total taxes levied were \$14,329,033.

Tax Abatements

The School Board is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the School Board is subject includes those issued for property taxes under the Industrial Tax Exemption Program ("ITEP").

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the Assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%. The Assessor may recapture abated taxes if a company fails to expand facilities or otherwise fails to fulfill its commitments under the agreement. At June 30, 2023, the School Board's ad valorem taxes were reduced by \$107,896 for the industrial exemptions in effect.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Receivables

Receivables at June 30, 2023 of \$3,850,348 consisted of the following:

| | |
|--------------------------------|---------------------|
| Accrued interest | \$ 76,136 |
| Specific stop loss receivables | 165,921 |
| Rebates | 257,501 |
| Sales taxes | 1,815,078 |
| Medicaid | 827,409 |
| Retirement | 40,337 |
| Other | <u>667,966</u> |
| | <u>\$ 3,850,348</u> |

(7) Due from Other Governmental Agencies

Due from other governmental agencies of \$5,385,037 consisted primarily of amounts due from the State of Louisiana Department of Education for various appropriations and reimbursements.

(8) Capital Assets

Capital assets balances and activity for the year ended June 30, 2023 is as follows:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|-------------------|---------------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,173,369 | \$ - | \$ - | \$ 2,173,369 |
| Construction in progress | 730,447 | 633,901 | (730,447) | 633,901 |
| Other capital assets: | | | | |
| Building and improvements | 194,759,860 | 2,485,723 | - | 197,245,583 |
| Furniture and equipment | <u>12,809,396</u> | <u>3,047,774</u> | <u>(1,093,700)</u> | <u>14,763,470</u> |
| Total | <u>210,473,072</u> | <u>6,167,398</u> | <u>(1,824,147)</u> | <u>214,816,323</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 63,579,197 | 4,024,753 | - | 67,603,950 |
| Furniture and equipment | <u>7,920,378</u> | <u>1,218,170</u> | <u>(1,054,802)</u> | <u>8,083,746</u> |
| Total | <u>71,499,575</u> | <u>5,242,923</u> | <u>(1,054,802)</u> | <u>75,687,696</u> |
| Net capital assets | <u>\$ 138,973,497</u> | <u>\$ 924,475</u> | <u>\$ (769,345)</u> | <u>\$ 139,128,627</u> |

At June 30, 2023, construction in progress of \$633,901 consists of costs incurred to date on multiple school improvement projects.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

| | |
|---|---------------------|
| Regular education programs | \$ 1,573,384 |
| Special education programs | 391,527 |
| Vocational education programs | 75,622 |
| Other instructional programs | 163,545 |
| Special programs | 671,551 |
| Pupil support services | 362,405 |
| Instructional staff support | 259,319 |
| General administration | 139,155 |
| School administration | 284,574 |
| Business services | 62,610 |
| Operation and maintenance of plant services | 541,252 |
| Student transportation services | 316,180 |
| Central services | 56,122 |
| Food services | 342,534 |
| Community service programs | <u>3,143</u> |
| Total depreciation expense | \$ <u>5,242,923</u> |

(9) Accounts and Other Payables

At June 30, 2023, a breakdown of other payables of \$2,539,209 was as follows:

| | |
|---|---------------------|
| Accounts | \$ 918,886 |
| Other payables - due to students and other groups | <u>1,620,323</u> |
| | \$ <u>2,539,209</u> |

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(10) Changes in General Long-Term Liabilities

The following is a summary of the changes in general long-term debt for the year ended June 30, 2023:

| | <u>Compensated Absences</u> | <u>Bonded Debt</u> | <u>Total</u> |
|---|---------------------------------|------------------------|-----------------------|
| Obligations payable at July 1, 2022 | \$ 4,607,409 | \$ 103,440,711 | \$ 108,048,120 |
| Additions | 2,394,005 | - | 2,394,005 |
| Less: amortization | - | (389,120) | (389,120) |
| Reductions | <u>(2,176,067)</u> | <u>(5,975,000)</u> | <u>(8,151,067)</u> |
| Obligations payable at June 30, 2023 | <u>\$ 4,825,347</u> | <u>\$ 97,076,591</u> | <u>\$ 101,901,938</u> |
| Due within one year | <u>\$ 2,176,067</u> | <u>\$ 6,264,120</u> | <u>\$ 8,440,187</u> |

Compensated Absences

Compensated absences payable consists of the portion of accumulated sick leave and vacation leave of the governmental funds that is not expected to require current resources. The General Fund and Special Revenue Funds have historically been used to pay compensated absences (when applicable).

Bonded Debt

The Debt Service Fund has historically been used to pay the bonded debt. School Board bonds outstanding at June 30, 2023 consist of parishwide general obligation school bonds as follows:

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| Date of Issue | Original Issue | Interest Rates | Final Payment Date | Interest to Maturity | Principal Outstanding |
|---|----------------|----------------|--------------------|----------------------|-----------------------|
| General obligation school bonds; March 6, 2014 | 12,000,000 | 3.00 - 4.00 | 03/01/34 | 1,817,110 | 7,755,000 |
| General obligation school bonds; March 12, 2015 | 11,675,000 | 3.00 - 3.25 | 03/01/35 | 1,735,963 | 8,080,000 |
| General obligation school bonds; September 24, 2015 | 11,675,000 | 2.00 - 5.00 | 03/01/35 | 1,895,606 | 8,080,000 |
| General obligation school refunding bonds; March 1, 2017 | 6,280,000 | 2.00 - 4.00 | 03/01/29 | 567,700 | 4,035,000 |
| General obligation school bonds; May 25, 2017 | 20,000,000 | 3.00 - 5.00 | 03/01/37 | 4,212,406 | 15,575,000 |
| General obligation school bonds; July 21, 2016 | 20,000,000 | 2.00 - 4.00 | 03/01/36 | 3,650,300 | 14,730,000 |
| General obligation school refunding bonds; October 26, 2017 | 10,940,000 | 2.00 - 5.00 | 03/01/31 | 1,635,350 | 8,385,000 |
| General obligation school bonds; September 6, 2018 | 12,250,000 | 3.00-5.00 | 03/01/38 | 3,251,450 | 10,705,000 |
| General obligation school bonds; April 17, 2019 | 12,250,000 | 3.00-5.00 | 03/01/39 | 4,382,800 | 12,230,000 |
| General obligation school refunding bonds; March 1, 2021 | 3,315,000 | 0.24-2.08 | 03/01/33 | 297,040 | 3,205,000 |

All principal and interest requirements on the parishwide general obligation school bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the parish. At June 30, 2023, the School Board has accumulated \$2,566,568 in the debt service funds for future debt requirements. The bonds are due as follows:

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| Year Ending June 30 | Principal Payments | Amortization | Interest Payments | Total |
|------------------------|-----------------------|---------------------|----------------------|-----------------------|
| 2024 | \$ 5,875,000 | \$ 389,120 | \$ 3,298,471 | \$ 9,562,591 |
| 2025 | 6,110,000 | 389,120 | 3,071,871 | 9,570,991 |
| 2026 | 6,845,000 | 389,120 | 2,846,958 | 10,081,078 |
| 2027 | 7,175,000 | 389,120 | 2,574,342 | 10,138,462 |
| 2028 | 7,550,000 | 389,120 | 2,311,299 | 10,250,419 |
| 2029-2033 | 35,415,000 | 1,452,682 | 7,373,716 | 44,241,398 |
| 2034-2038 | 22,715,000 | 857,530 | 1,936,219 | 25,508,749 |
| 2039 | 1,095,000 | 40,779 | 32,849 | 1,168,628 |
| | <u>\$ 92,780,000</u> | <u>\$ 4,296,591</u> | <u>\$ 23,445,725</u> | <u>\$ 120,522,316</u> |

(11) Sales and Use Taxes

The School Board is authorized and has levied the following sales and use taxes:

1. March 20, 1965 (1%)

After paying collection and administration costs, the tax is to be used for salaries of teachers and for the expenses of operating schools, including payment of other personnel in addition to teachers. This tax is maintained in the Sales Tax Fund, which is a part of the State and Local Special Revenue Funds.

2. July 21, 1990 (1%)

The tax, as originally passed, was to be used for the payment of all debt service requirements on all outstanding bonds payable from the pledge of said tax, with the remainder to be used for the purpose of paying salaries and related benefits for professional and paraprofessional employees on a seven to five ratio. There are currently no bonds outstanding for which this tax is pledged. This tax was accounted for in a Sales Tax Fund which was part of the State and Local Special Revenue Funds.

In May 2013, an election was held to continue to levy and collect this tax. At that time, the tax was also rededicated for any lawful purpose of the School Board. This rededication was made retroactively. As a result of the rededication, this tax is now accounted for in the General Fund.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Risk Management

The School Board is exposed to risks of loss in the areas of health care, workers' compensation, general and auto liability and property hazards. Health care and workers' compensation risks are handled through a self-insurance plan as described below. The other risks are handled by purchasing commercial insurance. There have been no significant reductions in these insurance coverages during the current fiscal year, nor have settlements exceeded insurance coverage for the current or prior two fiscal years.

A. Workers' Compensation

The School Board has established a limited risk management program for workers' compensation. The School Board hired LoCA as administrator for this program. During fiscal year 2023, a total of \$771,321 was incurred in benefits and administrative costs. The School Board purchases commercial insurance for individual claims in excess of \$700,000. Incurred but not paid claims have been accrued as a liability in the Workers Compensation Fund (internal service fund).

B. Group Self-Insurance

The School Board also established a limited risk management program for group hospitalization insurance. This plan provides employee health benefits up to a \$1,000,000 lifetime maximum with an annual \$10,000 restoration. The School Board purchases commercial insurance for individual claims in excess of \$175,000.

The self-insurance activity is reported in the General Fund. Both the General and Special Revenue Funds of the School Board participate in the program and make contributions based on amounts needed to pay prior and current year claims. The claims liability of \$1,800,000 reported in the general fund at June 30, 2023, is based on the loss that is probable at the date of the financial statements and the amount of the loss that can be reasonably estimated. The School Board currently does not discount its claims liabilities.

C. Reconciliation of Claims Liabilities

Changes in the claims liability amounts for the risk management programs are as follows:

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| | Balance at Beginning of Fiscal Year | Claims and Changes in Estimates | Benefit Payments and Claims | Balance at Fiscal Year-End |
|------------------------|---|---------------------------------------|-----------------------------------|----------------------------------|
| Workers' compensation: | | | | |
| 2020-2021 | 330,993 | 332,841 | 344,554 | 319,280 |
| 2021-2022 | 319,280 | 528,525 | 358,034 | 489,771 |
| 2022-2023 | 489,771 | 578,292 | 523,840 | 544,223 |
| Group hospitalization: | | | | |
| 2020-2021 | 1,500,000 | 12,472,147 | 12,472,147 | 1,500,000 |
| 2021-2022 | 1,500,000 | 13,384,621 | 13,384,621 | 1,500,000 |
| 2022-2023 | 1,500,000 | 15,671,177 | 15,371,177 | 1,800,000 |

Claims payable of \$544,223 for workers' compensation at June 30, 2023 was obtained from information provided by the third party administrator.

Claims payable for group hospitalization of \$1,800,000 at June 30, 2023 was determined as follows:

| | |
|--|--------------------|
| 1. Claims incurred on or prior to June 30, 2023 and paid between July 1, and September 30, 2023 | \$ 895,791 |
| 2. Provision for claims incurred but not reported | <u>904,209</u> |
| Total claims payable | <u>\$1,800,000</u> |

The provision for claims incurred but not reported of \$904,209 was calculated utilizing historical information.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2023 follows:

| | |
|--------------------|------------------|
| Michael Clay | \$ 9,600 |
| Marlin D' Augereau | 4,800 |
| Jimmy Durio | 9,600 |
| Russell Foti | 10,200 |
| Steve Fuselier | 9,600 |
| Mark Hebert | 9,600 |
| Edna Johnson | 9,600 |
| Floyd Knott | 4,800 |
| Richard Potier | 10,200 |
| Frederic Stelly | 9,600 |
| Wanda Vital | <u>9,600</u> |
| | <u>\$ 97,200</u> |

(14) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2023, the School Board is involved in several lawsuits. In the opinion of management and/or legal counsel for the School Board, resolution of these lawsuits will not involve any material liability (after meeting the insurance deductible of \$25,000; \$50,000; and/or \$250,000 per occurrence) to the School Board in excess of insurance coverage. Total liability for lawsuits accrued at June 30, 2023 is \$1,296,475 and is included in claims payable on the statement of net position.

B. Grant Audit

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts, if any, to be immaterial.

C. Commitments

The School Board has construction commitments with respect to unfinished projects of approximately \$521,512.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(15) Interfund Transactions

A. Interfund receivables and payables at June 30, 2023 are as follows:

| | Receivables | Payables |
|--------------------------------------|--------------|--------------|
| Major Funds | | |
| General Fund | \$ 4,933,577 | \$ 2,668 |
| State and Local Special Revenue Fund | 90,244 | 89,832 |
| Federal Grant Fund | - | 3,636,650 |
| Capital Projects Fund | 355,507 | 1,146,817 |
| Total major funds | 5,379,328 | 4,875,967 |
| Nonmajor governmental funds | - | 517,587 |
| Internal service fund | 14,226 | - |
| Total | \$ 5,393,554 | \$ 5,393,554 |

The amounts shown are primarily for reimbursements owed for expenditures paid by one fund on behalf of another fund. All balances will be repaid within one year.

B. Transfers consisted of the following for the year ended June 30, 2023:

| | Transfers In | Transfers Out |
|--------------------------------------|---------------|---------------|
| Major Funds | | |
| General Fund | \$ 12,024,209 | \$ - |
| State and Local Special Revenue Fund | 8,057 | 10,382,072 |
| Federal Grant Fund | - | 1,409,210 |
| Nonmajor governmental funds | - | 240,984 |
| Total | \$ 12,032,266 | \$ 12,032,266 |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(16) Post-Employment Health Care and Life Insurance Benefits / GASB 75

Plan description – The St. Martin Parish School Board (the School Board) provides certain continuing health care and life insurance benefits for its retired employees. The St. Martin Parish School Board’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the School Board. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits provided – Medical benefits are provided through a comprehensive medical plan and insured life insurance program to employees upon actual retirement. The employees are covered by the Teachers’ Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on or after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit. Employees hired on or after January 1, 2015 must have attained at least age 62 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit.

Basic life insurance of \$10,000 is provided to retirees. The employer pays for 100% of the cost of coverage but based on blended rates. Amounts of life insurance coverage is reduced to 75% at age 65 and to 50% at age 70.

Employees covered by benefit terms – As of the measurement date June 30, 2023, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 669 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | <u>723</u> |
| | <u>1,392</u> |

Total OPEB Liability

The School Board’s total OPEB liability of \$101,095,048 as of the measurement date June 30, 2023, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| | |
|-----------------------------|--|
| Inflation | 2.0% |
| Salary increases | 4.0%, including inflation |
| Discount rate | 3.54%, annually (Beginning of Year to Determine ADC) 3.65%, annually (As of End of Year Measurement Date) |
| Healthcare cost trend rates | 5.5% annually for ten years, 4.5% thereafter |
| Mortality | SOA RP-2014 Table |

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2023.

Changes in the Total OPEB Liability

| | |
|--|-----------------------|
| Balance at June 30, 2022 | \$ 88,015,703 |
| Changes for the year: | |
| Service cost | 2,622,890 |
| Interest | 3,126,452 |
| Differences between expected and actual experience | 9,364,456 |
| Changes of assumptions | 2,647,775 |
| Benefit payments and net transfers | <u>(4,682,228)</u> |
| Net changes | <u>13,079,345</u> |
| Balance at June 30, 2023 | <u>\$ 101,095,048</u> |

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

| | 1.0% Decrease (2.65%) | Current Discount Rate (3.65%) | 1.0% Increase (4.65%) |
|----------------------|--------------------------|----------------------------------|--------------------------|
| Total OPEB liability | <u>\$ 115,343,074</u> | <u>\$ 101,095,048</u> | <u>\$ 89,474,330</u> |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| | 1.0% Decrease (4.5%) | Current Trend (5.5%) | 1.0% Increase (6.5%) |
|----------------------|-------------------------|-------------------------|-------------------------|
| Total OPEB liability | \$ 89,424,955 | \$ 101,095,048 | \$ 115,374,119 |

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

For the year ended June 30, 2023, the School Board recognized OPEB expense of \$7,855,737. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experiences | \$ 10,242,440 | \$ 745,693 |
| Changes of assumptions | 6,312,759 | 10,218,626 |
| Total | \$ 16,555,199 | \$ 10,964,319 |

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

| Years Ending June 30: | | | | |
|-----------------------|--|--|----|-------------|
| 2024 | | | \$ | 2,106,390 |
| 2025 | | | | (1,320,403) |
| 2026 | | | | 2,402,446 |
| 2027 | | | | 2,402,447 |
| | | | \$ | 5,590,880 |

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

(17) Parish Collections on Behalf of All Taxing Authorities

| <u>Jurisdictions</u> | <u>Total Collections</u> | <u>Collection Costs</u> | <u>Final Distribution</u> |
|----------------------|--------------------------|-------------------------|---------------------------|
| School Board | | | |
| Fund 70 (1%) | \$ 10,497,366 | \$ 192,288 | \$ 10,305,078 |
| Fund 60 (1%) | 10,373,038 | 190,724 | 10,182,314 |
| Breux Bridge | | | |
| City (1%) | 3,347,911 | 55,669 | 3,292,242 |
| Econ Dist #1 (1%) | 1,035,585 | 16,817 | 1,018,768 |
| City #2 (1%) | 2,795,596 | 46,680 | 2,748,916 |
| St. Martinville (2%) | 2,023,354 | 33,174 | 1,990,180 |
| Parks (2%) | 258,814 | 5,769 | 253,045 |
| Henderson | | | |
| Town (1%) | 656,721 | 13,018 | 643,703 |
| Hotel (4%) | 81,303 | 250 | 81,053 |
| Sheriff (0.5%) | 5,266,573 | 94,659 | 5,171,914 |
| Parish Government | | | |
| District #2 (1%) | 1,871,056 | 46,806 | 1,824,250 |
| District #1 (1%) | 4,412,571 | 83,093 | 4,329,478 |
| Tourism Tax (4%) | 337,834 | 600 | 337,234 |
| Totals | <u>\$ 42,957,722</u> | <u>\$ 779,547</u> | <u>\$ 42,178,175</u> |

(18) Pension Plans / GASB 68

The St. Martin Parish School Board participates in the Teachers' Retirement System of Louisiana (TRSL or System) or Louisiana School Employees' Retirement System (LSERS or System). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and Louisiana School Employees' Retirement System (LSERS) and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems'. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

A. **Teachers' Retirement System of Louisiana (TRSL)**

The Teachers Retirement System of Louisiana (TRSL or the System) is the administrator of a cost-sharing, multiple-employer defined benefit pension plan established and provided for within Title 11, Chapter 2, of the Louisiana Revised Statutes to provide benefits to members and their dependents at retirement or in the event of death, disability, or termination of employment.

Summary of Significant Accounting Policies

The System prepares its employer pension schedules in accordance with the Governmental Accounting Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments; discount projected benefit payments to their actuarial present value; and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting

The System's employer pension schedules were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements. The member's earnable compensation is attributed to the employer(s) for which the member is employed as of June 30, 2022.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

System Employees

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description

TRSL was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:700-999, as amended, for eligible teachers, employees, and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement Benefits

Service retirement benefits are payable to members who have terminated covered employment and meet both age and service eligibility requirements.

Normal Retirement

REGULAR PLAN – Eligibility for retirement is determined by the date the member joined TRSL.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Members hired prior to July 1, 1999

| | |
|---------------------|--|
| 2.0% benefit factor | · At least age 60 with at least 5 years of service credit, or · Any age with at least 20 years of service credit |
| 2.5% benefit factor | · At least age 65 with at least 20 years of service credit, or · At least age 55 with at least 25 years of service credit, or · Any age with at least 30 years of service credit |

Members joining System between July 1, 1999 and December 31, 2010

| | |
|---------------------|---|
| 2.5% benefit factor | · At least age 60 with at least 5 years of service credit, or · At least age 55 with at least 25 years of service credit, or · Any age with at least 20 years of service credit (actuarially reduced), or · Any age with at least 30 years of service credit |
|---------------------|---|

Members first eligible to join and hired between January 1, 2011 and June 30, 2015

| | |
|---------------------|---|
| 2.5% benefit factor | · At least age 60 with at least 5 years of service credit, or · Any age with at least 20 years of service credit (actuarially reduced) |
|---------------------|---|

Members first eligible to join and hired on or after July 1, 2015

| | |
|---------------------|---|
| 2.5% benefit factor | · At least age 62 with at least 5 years of service credit, or · Any age with at least 20 years of service credit (actuarially reduced) |
|---------------------|---|

PLAN A - Plan A is closed to new entrants.

Plan A members

| | |
|---------------------|---|
| 3.0% benefit factor | · At least age 60 with at least 5 years of service credit, or · At least age 55 with at least 25 years of service credit, or · Any age with at least 30 years of service credit |
|---------------------|---|

PLAN B

Members hired before July 1, 2015

| | |
|---------------------|---|
| 2.0% benefit factor | · At least age 60 with at least 5 years of service credit, or · At least age 55 with at least 30 years of service credit |
|---------------------|---|

Members first eligible to join and hired on or after July 1, 2015

| | |
|---------------------|---|
| 2.0% benefit factor | · At least age 62 with at least 5 years of service credit, or · Any age with at least 20 years of service credit (actuarially reduced) |
|---------------------|---|

Benefit Formula

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable benefit factor, 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,

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

Deferred Retirement Option Program (DROP)

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

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

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

Disability Retirement 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

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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% benefit factor 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 ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

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

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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.

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101 – 11:104 by the Public Retirement Systems’ Actuarial Committee (PRSAC), taking into consideration the recommendation of the System’s actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The employer contributed \$11,012,695 during the fiscal year ending June 30, 2023.

The normal cost portion of each plan’s employer contribution rate varies based upon that plan’s benefits, member demographics, and the rate contributed by employees. The Unfunded Accrued Liability (UAL) contribution rate is determined in aggregate for all plans. The UAL resulting from legislation specific to a plan or group of plans will be allocated entirely to that plan or those plans.

For ORP, only the UAL portion of the employer contribution is retained by the plan. Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer’s proportionate share.

Rates for the year ended June 30, 2022, are as follows:

| TRSL Sub Plan | Total Employer Contribution 2022 |
|------------------------|-------------------------------------|
| K-12 Regular Plan | 25.2% |
| Higher Ed Regular Plan | 24.5% |
| Plan A | 25.2% |
| Plan B | 25.2% |
| ORP | Employer UAL |
| 2022 | 21.47% |

NOTE: In accordance with state statute, the System 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.

Schedule of Employer Allocations

The schedule of employer allocations reports the employer contributions in addition to the employer allocation percentage. The required projected employer contributions are the

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

basis used to determine the proportionate relationship of each employer to all employers of the System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan for 2023 as compared to the total of all employers' projected contribution effort to the plan for 2023. The employers' projected contribution effort was actuarially determined by the System's actuary, Foster and Foster Actuaries & Consultants.

The employers' projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the System on June 30, 2022, by the 2023 employers' actuarially required contribution rates. Eligible compensation reported during the fiscal year was the basis for the computations. If reported compensation was less than a full year at June 30, the compensation was annualized to project a full year. Most employees of TRSL are 9 month employees and receive a full year credit for working 9 months. Compensation reported over the 9 month period represents a full year and does not need to be annualized. Also, some members may be employed full-time with one employer and part time with a second employer; these are referred to as primary and secondary employers, respectively. Salaries for secondary employers were added to the employers' total payroll without annualizing. For ORP members, their earnings for the fiscal year were included in the employers' totals with no adjustments.

Rates for the year ending June 30, 2023, are as follows:

| TRSL Sub Plan | Total Employer Contribution 2023 |
|------------------------|-------------------------------------|
| K-12 Regular Plan | 24.8% |
| Higher Ed Regular Plan | 24.1% |
| Plan A | 24.8% |
| Plan B | 24.8% |
| ORP | Employer UAL |
| 2023 | 20.8% |

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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

At June 30, 2023, the School Board reported a liability of \$75,389,686 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the School Board's proportion was 0.78965% which was an increase of 0.0264% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School Board recognized pension expense of \$8,496,847 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$136,994.

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experiences | \$ 1,168,514 | \$ 217,416 |
| Changes of assumptions | 5,084,997 | 2,463,194 |
| Net difference between projected and actual earnings on pension plan investments | 4,278,270 | - |
| Change in proportion and differences between employer contributions and proportionate share of contributions | (180,524) | - |
| Employer contributions subsequent to the measurement date | 11,012,695 | - |
| Total | \$ 21,363,952 | \$ 2,680,610 |

Deferred outflows of resources of \$11,012,695 related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| Fiscal Year Ended | | |
|-------------------------|--|--------------|
| 6/30/2024 | | \$ 1,911,608 |
| 6/30/2025 | | 972,880 |
| 6/30/2026 | | (1,682,408) |
| 6/30/2027 | | 6,961,203 |
| 6/30/2028 | | (492,638) |
| | | \$ 7,670,645 |

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

| | |
|----------------------------------|---|
| Valuation date | June 30, 2022 |
| Actuarial cost method | Entry Age Normal |
| Amortization approach | Closed |
| Actuarial assumptions: | |
| Expected Remaining Service Lives | 5 years |
| Investment rate of return | 7.25% net of investment expenses* |
| Inflation rate | 2.3% per annum |
| Projected salary increases | 3.1% - 4.6% varies depending on duration of service |
| Cost-of-living adjustments | None |

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Active members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.

Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.

Mortality Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.

These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

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

**The investment rate of return used in the actuarial valuation for funding purposes was 7.6%, recognizing an additional 35 basis points for gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.32% for 2022. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|----------------------------|-------------------|--|
| Domestic Equity | 27.0% | 4.15% |
| International Equity | 19.0% | 5.16% |
| Domestic Fixed Income | 13.0% | 0.85% |
| International Fixed Income | 5.5% | (0.10%) |
| Private Assets | 25.5% | 8.15% |
| Other Private Assets | 10.0% | 3.72% |

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

| | Changes in Discount Rate | | |
|--|--------------------------|---------------|---------------|
| | 1% | Current | 1% |
| | Decrease | Discount Rate | Increase |
| | 6.25% | 7.25% | 8.25% |
| Employer's proportionate share of net pension liability | \$ 103,535,938 | \$ 75,389,686 | \$ 49,832,170 |

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2023, were recognized as pension expense or benefit in the current reporting period except as follows:

1. Differences between Expected and Actual Experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$1,168,514 and a deferred inflow of resources in the amount of \$217,416 for the year ended June 30, 2023.

2. Differences between Projected and Actual Investment Earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense (benefit) using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$4,278,270 for the year ended June 30, 2023.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

3. Change in Actuarial Assumptions: Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes in actuarial assumptions resulted in a deferred outflow of resources in the amount of \$5,084,997 and a deferred inflow of resources in the amount of \$2,463,194 for the year ended June 30, 2023.
4. Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date are recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of (\$180,524) for the year ended June 30, 2023.

Contributions – Proportionate Share / Change in Proportionate Share

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

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date are recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer.

Estimates

The process of preparing the schedules of employer allocations and schedules of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Retirement System Audit Reports:

TRSL issues stand-alone audit reports on its financial statements. Access to these reports can be found on the Louisiana Legislative Auditors' website (www.lia.la.gov) and the TRSL website (www.trsl.org).

B. Louisiana School Employees' Retirement System (LSERS)

The State of Louisiana School Employees' Retirement System (the System), a component unit of the State of Louisiana was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes (LRS) to provide retirement, disability and survivor benefits to all eligible school bus operators, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children.

Summary of Significant Accounting Policies:

The School Employees' Retirement System prepares its employer pension schedules in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The System's employer pension schedules are prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

Reporting Entity:

The Governmental Accounting Standards Board issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amends Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability.

In determining financial accountability for legally separate organizations, the System considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or there is a potential for the organization to provide specific financial burdens to, or to impose specific burdens on, the System. The System also considered whether there

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

are organizations that are fiscally dependent on it. There are no component units of the System.

The System is a component unit of the State of Louisiana.

System Employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The State of Louisiana School Employees' Retirement System is the administrator of a cost-sharing multiple-employer defined benefit pension plan and is a component unit of the State of Louisiana and is included in the State's ACFR as a Pension Trust Fund. The System was established and provided for by R.S.11:1001 of the Louisiana Revised Statutes. The accompanying statements present information only as to transactions of the System as authorized by Louisiana Revised Statutes.

The following is a description of the Plan and its benefits and is provided for general information 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 who work more than twenty hours per week as a school bus operator, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who works on a school bus helping with the transportation of school children. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

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.

Retirement Benefits:

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LRS 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 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 Benefits:

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Survivor Benefits

Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the 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 System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in DROP. 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 System. 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 System and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

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

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 certain benefit options. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Employer Contributions:

Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

The actual employer rate for the year ended June 30, 2022, was 28.70%. The employer contributed \$1,610,863 during the fiscal year ending June 30, 2023.

Schedule of Employer Allocations:

The schedule of employer allocations reports the historical employer contributions recognized by the System in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the State of Louisiana School Employees' Retirement System.

The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the System are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the System during the year ended June 30, 2022 as compared to the total of all contributions to the System during the year ended June 30, 2022.

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

At June 30, 2023, the School Board reported a liability of \$11,056,826 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the School Board's proportion was 1.662687% which was an increase of .098774% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the School Board recognized pension expense of \$1,921,723 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$8,087).

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experiences | \$ 261,797 | \$ - |
| Changes of assumptions | 398,854 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 284,805 |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 484,954 | - |
| Employer contributions subsequent to the measurement date | 1,610,863 | - |
| Total | \$ 2,756,468 | \$ 284,805 |

Deferred outflows of resources of \$1,610,863 related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ended</u> | | |
|----------------------------------|--|------------|
| 6/30/2024 | | \$ 694,773 |
| 6/30/2025 | | 254,934 |
| 6/30/2026 | | (639,291) |
| 6/30/2027 | | 550,384 |
| | | \$ 860,800 |

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.

The actuarial assumptions used in the June 30, 2022 valuation were based on a Plan Experience Study performed in 2018 based on plan data for the period July 1, 2012 through

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

June 30, 2017. The total pension liability as of June 30, 2022 is based on an actuarial valuation for the same period, updated using generally accepted actuarial procedures.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

| | |
|-----------------------------------|--|
| Valuation Date | June 30, 2022 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Investment Rate of Return | 6.80%, net of investment expense |
| Expected Remaining Service Lives | 3 years |
| Inflation Rate | 2.50% |
| Mortality | RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Disabled Table |
| Salary Increases | 3.25% based on the 2018 experience study (for the period 2013-2017) of the System's members |
| Cost-of-Living Adjustments (COLA) | Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014. |

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.

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, 2022 are summarized in the following table:

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

| Asset Class | Target Asset Allocation | Long Term Expected Portfolio Real Rate of Return |
|------------------------------------|----------------------------|--|
| Fixed Income | 26% | 0.73% |
| Equity | 39% | 2.67% |
| Alternatives | 23% | 1.85% |
| Real Estate | 12% | 0.62% |
| Totals | 100% | 5.87% |
| Inflation | | 2.30% |
| Expected Arithmetic Nominal Return | | 8.17% |

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

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.80%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate as of June 30, 2022.

| | Changes in Discount Rate | | |
|--|--------------------------|-----------------------------------|-------------------------|
| | 1% Decrease 5.80% | Current Discount Rate 6.80% | 1% Increase 7.80% |
| Employer's proportionate share of net pension liability | \$ 15,462,455 | \$ 11,056,826 | \$ 7,291,311 |

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2022, were recognized in the current reporting period as pension expense except as follows:

1. Differences between Expected and Actual Experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$261,797 for the year ended June 30, 2023.

2. Differences between Projected and Actual Investment Earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amount of \$284,805 for the year ended June 30, 2023.
3. Changes in Assumptions or Other Inputs: Changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes in assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$398,854 for the year ended June 30, 2023.
4. Changes in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$484,954 for the year ended June 30, 2023.

Contributions – Proportionate Share:

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

Retirement System Audit Report:

The State of Louisiana School Employees' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2022. Access to the audit report can be found on the Office of Louisiana Legislative Auditors' official website: www.lia.la.gov.

ST. MARTIN PARISH SCHOOL BOARD
BreauX Bridge, Louisiana

Notes to Basic Financial Statements (Continued)

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

(19) Act 706 – Schedule of Compensation, Reimbursements, Benefits and Other Payments to Entity Head

Under Act 706, the St. Martin Parish School Board is required to disclose the compensation, reimbursements, benefits, and other payments made to the superintendent, in which the payments are related to the position. The following is a schedule of payments made to the superintendents for the year ended June 30, 2023.

Entity head: Mr. Allen Blanchard, Jr., Superintendent (July 1, 2022 - May 12, 2023)

| | |
|---------------------|-----------------------|
| Salary | \$ 189,989 |
| Benefits-insurance | 6,158 |
| Benefits-retirement | 38,667 |
| Benefits-cell phone | 600 |
| Travel | <u>1,643</u> |
| Total | <u>\$ 237,057</u> |

Entity head: Mr. Frederick Wiltz, Superintendent (May 15, 2023 - June 30, 2023)

| | |
|---------------------|----------------------|
| Salary | \$ 20,021 |
| Benefits-insurance | 865 |
| Benefits-retirement | 5,406 |
| Benefits-cell phone | 15 |
| Travel | <u>221</u> |
| Total | <u>\$ 26,528</u> |

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

| | Budget | | Actual | Variance - Final budget vs. Actual |
|--|----------------------|----------------------|----------------------|--|
| | Original | Final | | Positive (Negative) |
| Revenues: | | | | |
| Local sources - | | | | |
| Ad valorem taxes | \$ 5,333,038 | \$ 5,333,038 | \$ 5,582,550 | \$ 249,512 |
| Sales taxes | 9,200,000 | 10,475,000 | 10,475,270 | 270 |
| Transportation | - | - | 2,801 | 2,801 |
| Interest earnings | 160,000 | 160,000 | 771,915 | 611,915 |
| Rentals, leases, and royalties | 108,000 | 108,000 | 122,054 | 14,054 |
| Other | 658,000 | 658,000 | 1,122,425 | 464,425 |
| State sources - | | | | |
| Unrestricted grants-in-aid | 44,212,370 | 44,212,370 | 42,407,951 | (1,804,419) |
| Restricted grants-in-aid | 24,500 | 24,500 | 96,230 | 71,730 |
| Revenue in lieu of taxes | 252,000 | 252,000 | 248,010 | (3,990) |
| Federal sources - | | | | |
| Restricted revenues | 72,000 | 72,000 | 83,124 | 11,124 |
| Total revenues | <u>60,019,908</u> | <u>61,294,908</u> | <u>60,912,330</u> | <u>(382,578)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction - | | | | |
| Regular education programs | 28,228,048 | 30,366,043 | 31,463,507 | (1,097,464) |
| Special education programs | 5,988,510 | 6,442,080 | 7,476,882 | (1,034,802) |
| Vocational education programs | 983,376 | 1,057,857 | 1,438,010 | (380,153) |
| Other instructional programs | 540,816 | 581,777 | 750,706 | (168,929) |
| Special programs | 492,503 | 529,805 | 476,338 | 53,467 |
| Support services - | | | | |
| Pupil support services | 4,402,125 | 4,735,542 | 5,202,987 | (467,445) |
| Instructional staff services | 2,473,044 | 2,660,353 | 2,481,527 | 178,826 |
| General administration | 1,821,936 | 1,948,000 | 2,622,807 | (674,807) |
| School administration | 4,683,879 | 5,038,636 | 5,019,069 | 19,567 |
| Business services | 1,320,798 | 1,420,835 | 1,253,270 | 167,565 |
| Operation and maintenance of plant | 8,755,403 | 9,418,538 | 9,568,919 | (150,381) |
| Student transportation services | 5,108,460 | 5,495,375 | 6,015,779 | (520,404) |
| Central services | 1,028,794 | 1,106,715 | 1,058,026 | 48,689 |
| Food service programs | 308,198 | 331,541 | 619,102 | (287,561) |
| Community service programs | 36,850 | 39,641 | 62,839 | (23,198) |
| Total expenditures | <u>66,172,740</u> | <u>71,172,738</u> | <u>75,509,768</u> | <u>(4,337,030)</u> |
| Deficiency of revenues over expenditures | (6,152,832) | (9,877,830) | (14,597,438) | (4,719,608) |
| Other financing sources (uses): | | | | |
| Operating transfers in | 7,489,000 | 11,114,000 | 12,024,209 | 910,209 |
| Operating transfers out | (1,090,875) | (1,185,000) | - | 1,185,000 |
| Total other financing sources | <u>6,398,125</u> | <u>9,929,000</u> | <u>12,024,209</u> | <u>2,095,209</u> |
| Net change in fund balance | 245,293 | 51,170 | (2,573,229) | (2,624,399) |
| Fund balance, beginning | <u>30,290,123</u> | <u>35,696,771</u> | <u>35,696,771</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 30,535,416</u> | <u>\$ 35,747,941</u> | <u>\$ 33,123,542</u> | <u>\$ (2,624,399)</u> |

See notes to required supplementary information.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana
State and Local Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

| | Budget | | Actual | Variance - Final budget vs. Actual |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | Positive (Negative) |
| Revenues: | | | | |
| Local sources - | | | | |
| Sales taxes | \$ 9,500,000 | \$ 10,500,000 | \$ 10,596,783 | \$ 96,783 |
| Other | 75,000 | 80,000 | 540,960 | 460,960 |
| State sources - | | | | |
| Unrestricted grants-in-aid | 55,000 | 45,000 | 47,689 | 2,689 |
| Restricted grants-in-aid | 2,000,000 | 2,500,000 | 2,331,849 | (168,151) |
| Federal sources - | | | | |
| Restricted grants-in-aid through the state | 6,150,000 | 5,650,000 | 5,480,384 | (169,616) |
| Value of USDA Commodities | 350,000 | 350,000 | 419,099 | 69,099 |
| Total revenues | <u>18,130,000</u> | <u>19,125,000</u> | <u>19,416,764</u> | <u>291,764</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction - | | | | |
| Regular education programs | - | - | 35,438 | (35,438) |
| Vocational education programs | - | - | 22,866 | (22,866) |
| Other instructional programs | 13,000 | 42,172 | 98,358 | (56,186) |
| Special programs | 1,512,000 | 1,887,903 | 1,826,817 | 61,086 |
| Support services - | | | | |
| Pupil support services | 400,000 | 500,616 | 487,954 | 12,662 |
| Instructional staff services | 85,000 | 70,173 | 95,317 | (25,144) |
| General administration | 157,500 | 157,500 | 159,527 | (2,027) |
| School administration | - | - | 206,307 | (206,307) |
| Business services | - | 4,049 | 171 | 3,878 |
| Operation and maintenance of plant | - | - | 60,810 | (60,810) |
| Student transportation services | 5,000 | 4,583 | 2,615 | 1,968 |
| Food service | 6,587,125 | 6,632,629 | 6,039,128 | 593,501 |
| Total expenditures | <u>8,759,625</u> | <u>9,299,625</u> | <u>9,035,308</u> | <u>264,317</u> |
| Excess of revenues over expenditures | 9,370,375 | 9,825,375 | 10,381,456 | 556,081 |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | - | 8,057 | 8,057 |
| Operating transfers out | (8,264,000) | (9,900,000) | (10,382,072) | (482,072) |
| Total other financing uses | <u>(8,264,000)</u> | <u>(9,900,000)</u> | <u>(10,374,015)</u> | <u>(474,015)</u> |
| Net change in fund balance | 1,106,375 | (74,625) | 7,441 | 82,066 |
| Fund balance, beginning | <u>5,197,377</u> | <u>5,675,776</u> | <u>5,675,776</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 6,303,752</u> | <u>\$ 5,601,151</u> | <u>\$ 5,683,217</u> | <u>\$ 82,066</u> |

See notes to required supplementary information.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana
Federal Grant Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

| | Budget | | Actual | Variance - Final budget vs. Actual |
|--|--------------------|--------------------|--------------------|--|
| | Original | Final | | Positive (Negative) |
| Revenues: | | | | |
| Federal sources - | | | | |
| Restricted revenues | - | - | 483,882 | 483,882 |
| Restricted grants-in-aid through the state | 11,388,709 | 19,444,000 | 18,007,580 | (1,436,420) |
| Total revenues | <u>11,388,709</u> | <u>19,444,000</u> | <u>18,491,462</u> | <u>(952,538)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction - | | | | |
| Special education programs | 208,868 | 375,000 | 361,440 | 13,560 |
| Vocational education programs | 90,354 | 53,000 | 53,072 | (72) |
| Other instructional programs | 1,995,595 | 2,825,000 | 2,315,351 | 509,649 |
| Special programs | 3,880,357 | 8,505,000 | 8,441,211 | 63,789 |
| Support services - | | | | |
| Pupil support services | 1,134,599 | 1,375,000 | 1,564,357 | (189,357) |
| Instructional staff services | 1,739,981 | 2,610,000 | 2,066,833 | 543,167 |
| General administration | - | 4,000 | - | 4,000 |
| School administration | 173,379 | 475,000 | 471,761 | 3,239 |
| Operation and maintenance of plant | 654,299 | 1,210,000 | 1,206,066 | 3,934 |
| Student transportation services | 88,245 | 312,000 | 308,773 | 3,227 |
| Central services | 8,840 | 65,000 | 65,528 | (528) |
| Food service | 217,927 | 200,000 | 199,264 | 736 |
| Construction Services | 2,433 | - | 28,596 | (28,596) |
| Total expenditures | <u>10,194,877</u> | <u>18,009,000</u> | <u>17,082,252</u> | <u>926,748</u> |
| Excess of revenues over expenditures | 1,193,832 | 1,435,000 | 1,409,210 | (25,790) |
| Other financing sources (uses): | | | | |
| Operating transfers out | (1,193,832) | (1,435,000) | (1,409,210) | 25,790 |
| Total other financing uses | <u>(1,193,832)</u> | <u>(1,435,000)</u> | <u>(1,409,210)</u> | <u>25,790</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See notes to required supplementary information.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 1,374,002 | \$ 1,436,948 | \$ 1,800,298 | \$ 1,893,272 | \$ 2,622,890 |
| Interest | 2,915,122 | 2,920,302 | 2,236,940 | 2,182,862 | 3,126,452 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (277,448) | (6,561) | (1,745,346) | 5,501,751 | 9,364,456 |
| Changes of assumptions | - | 17,371,743 | 1,800,480 | (20,437,254) | 2,647,775 |
| Benefit payments | (3,985,250) | (3,742,143) | (4,139,100) | (4,366,750) | (4,682,228) |
| Net change in total OPEB liability | 26,426 | 17,980,289 | (46,728) | (15,226,119) | 13,079,345 |
| Total OPEB liability - beginning | <u>85,281,835</u> | <u>85,308,261</u> | <u>103,288,550</u> | <u>103,241,822</u> | <u>88,015,703</u> |
| Total OPEB liability - ending | <u>\$ 85,308,261</u> | <u>\$ 103,288,550</u> | <u>\$ 103,241,822</u> | <u>\$ 88,015,703</u> | <u>\$ 101,095,048</u> |
| Covered-employee payroll | \$ 33,529,873 | \$ 34,871,068 | \$ 30,511,494 | \$ 31,731,953 | \$ 37,400,301 |
| Total OPEB liability as a percentage of covered-employee payroll | 254.42% | 296.20% | 338.37% | 277.37% | 270.31% |
| Notes to Schedule: | | | | | |
| <i>Benefit Changes:</i> | None | None | None | None | None |
| <i>Changes of Assumptions:</i> | | | | | |
| Discount Rate: | 3.50% | 2.21% | 2.16% | 3.54% | 3.65% |
| Mortality: | RP-2000 | RP-2000 | RP-2000 | RP-2000 | RP-2014 |
| Trend: | 5.50% | 5.50% | 4.5-5.5% | 4.5-5.5% | Getzen Model |

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

See notes to required supplementary information.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

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

| Year ended June 30, | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Employee Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--|--|---|-------------------------------------|---|--|
| LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS) | | | | | |
| 2015 | 1.492500% | \$ 8,652,035 | \$ 4,138,527 | 209.1% | 76.10% |
| 2016 | 1.442834% | 9,149,400 | 4,191,243 | 218.3% | 74.50% |
| 2017 | 1.488570% | 11,228,987 | 4,111,932 | 273.1% | 70.10% |
| 2018 | 1.425558% | 9,122,531 | 4,072,235 | 224.0% | 75.03% |
| 2019 | 1.482143% | 9,902,751 | 4,250,567 | 233.0% | 74.44% |
| 2020 | 1.531113% | 10,718,737 | 4,459,634 | 240.4% | 73.49% |
| 2021 | 1.531514% | 12,305,054 | 4,594,843 | 267.8% | 69.67% |
| 2022 | 1.563913% | 7,433,543 | 4,803,089 | 154.8% | 82.51% |
| 2023 | 1.662687% | 11,056,826 | 5,361,471 | 206.2% | 76.31% |
| TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRSL) | | | | | |
| 2015 | 0.805190% | 82,301,864 | \$ 38,642,596 | 213.0% | 63.70% |
| 2016 | 0.837910% | 90,094,407 | 38,792,318 | 232.2% | 62.50% |
| 2017 | 0.813250% | 95,450,928 | 39,673,196 | 240.6% | 59.90% |
| 2018 | 0.763900% | 79,594,754 | 38,153,185 | 208.6% | 65.60% |
| 2019 | 0.777810% | 76,443,617 | 37,568,549 | 203.5% | 68.20% |
| 2020 | 0.776530% | 77,067,983 | 37,753,604 | 204.1% | 68.60% |
| 2021 | 0.761900% | 84,750,927 | 37,964,840 | 223.2% | 65.60% |
| 2022 | 0.816050% | 43,566,777 | 38,927,119 | 111.9% | 83.90% |
| 2023 | 0.789650% | 75,389,686 | 41,005,729 | 183.9% | 72.40% |

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

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

See notes to required supplementary information.

ST. MARTIN PARISH SCHOOL BOARD

Breaux Bridge, Louisiana

Schedule of Employer Contributions

For the Year Ended June 30, 2023

| Year ended June 30, | Contractually Required Contribution | Contributions in Relation to Contractual Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|--|-------------------------------------|--|----------------------------------|-------------------------------------|--|
| LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS) | | | | | |
| 2015 | \$ 1,383,110 | \$ 1,383,110 | \$ - | \$ 4,191,243 | 33.00% |
| 2016 | 1,241,804 | 1,241,804 | - | 4,111,932 | 30.20% |
| 2017 | 1,111,720 | 1,111,720 | - | 4,072,235 | 27.30% |
| 2018 | 1,173,156 | 1,173,156 | - | 4,250,567 | 27.60% |
| 2019 | 1,340,968 | 1,340,968 | - | 4,459,634 | 30.07% |
| 2020 | 1,350,796 | 1,350,796 | - | 4,594,843 | 29.40% |
| 2021 | 1,378,486 | 1,378,486 | - | 4,803,089 | 28.70% |
| 2022 | 1,538,742 | 1,538,742 | - | 5,361,471 | 28.70% |
| 2023 | 1,610,863 | 1,610,863 | - | 5,836,459 | 27.60% |
| TEACHER'S RETIREMENT SYSTEM OF LOUISIANA (TRSL) | | | | | |
| 2015 | \$ 10,860,630 | \$ 10,860,630 | \$ - | \$ 38,792,318 | 28.00% |
| 2016 | 10,438,827 | 10,438,827 | - | 39,673,196 | 26.31% |
| 2017 | 9,733,470 | 9,733,470 | - | 38,153,185 | 25.51% |
| 2018 | 9,994,628 | 9,994,628 | - | 37,568,549 | 26.60% |
| 2019 | 9,858,608 | 9,858,608 | - | 37,753,604 | 26.11% |
| 2020 | 9,463,881 | 9,463,881 | - | 37,964,840 | 24.93% |
| 2021 | 9,657,310 | 9,657,310 | - | 38,927,119 | 24.81% |
| 2022 | 9,941,077 | 9,941,077 | - | 41,005,729 | 24.24% |
| 2023 | 11,012,695 | 11,012,695 | - | 46,205,205 | 23.83% |

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

See notes to required supplementary information.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

(1) Budget Practices

The School Board follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

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

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

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the School Board. All budget revisions are approved by the School Board.

The budgets are prepared under the modified accrual basis of accounting. The level of budgetary control is established by function within each fund.

The superintendent of schools and the chief financial officer are authorized to transfer amounts between budgeted line items within any fund; however, board approval must be obtained prior to the transfer of funds from different departments within the General Fund. In addition, any unfavorable variances of revenues or expenditures of five percent or more within a fund must be presented to the School Board for Board action to amend fund budgets. Budgeted amounts included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

(2) Pension Plan

Changes of Assumptions - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

(3) Excess of Expenditures Over Appropriations

For the year ended June 30,2023, the following fund had actual expenditures over appropriations:

| <u>Fund</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Excess</u> |
|--------------|---------------------|---------------|---------------|
| General Fund | \$71,172,738 | \$75,509,768 | (\$4,337,030) |

SUPPLEMENTARY INFORMATION

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER INFORMATION**

Champagne & Company, LLC

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

Mr. Frederick Wiltz, Superintendent
and Members of the St. Martin Parish
School Board
Breaux Bridge, 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 St. Martin Parish School Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the St. Martin Parish School Board's basic financial statements, and have issued our report thereon dated December 27, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control described in the accompanying schedule of findings, questioned costs and management’s corrective action plan, as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

St. Martin Parish School Board’s Response to Findings

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

Purpose of this Report

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

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 27, 2023

Champagne & Company, LLC

Certified Public Accountants

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

Mr. Frederick Wiltz, Superintendent
and Members of the St. Martin Parish
School Board
Breaux Bridge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

for each major federal program. Our audit does not provide a legal determination of the St. Martin Parish School Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 St. Martin Parish School Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there 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 St. Martin Parish School Board's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 27, 2023

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

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

| Federal Grantor/Pass-Through Grantor/Program Name | Pass-through Identifying Number 2022 | Pass-through Identifying Number 2023 | Assistance Listing Number | Expenditures |
|--|---|---|---------------------------------|------------------|
| <u>United States Department of Agriculture:</u> | | | | |
| Passed through Louisiana Department of Agriculture and Forestry - Food Donation | - | - | 10.555 | \$ 419,099 |
| Passed through Louisiana Department of Education - School Breakfast Program | - | - | 10.553 | 1,134,566 |
| National School Lunch Program | - | - | 10.555 | 3,807,018 |
| Summer Food Service Program for Children | - | - | 10.559 | 69,924 |
| Total Child Nutrition Cluster | | | | <u>5,430,607</u> |
| Child and Adult Care Food Program (CACFP) - Head Start | - | - | 10.558 | 272,206 |
| Total Child and Adult Care Food Program (CACFP) | | | | <u>272,206</u> |
| Total United States Department of Agriculture | | | | <u>5,702,813</u> |
| <u>United States Department of Education:</u> | | | | |
| Passed through Louisiana Department of Education - Career and Technical Education - Basic Grants to States (Perkins V) | - | 28-23-02-50 | 84.048 | 53,072 |
| Title I Grants to Local Educational Agencies | 28-22-T1-50 | 28-23-T1-50 | 84.010 | 2,903,572 |
| Title I Grants to Local Educational Agencies - Direct Student Services | 28-22-DSS-50 | 28-23-DSS-50 | 84.010 | 76,233 |
| Title I Grants to Local Educational Agencies - Redesign Planning | 28-20-RD19-50 | 28-22-RD19-50 | 84.010 | 200,000 |
| Total Title I Grants to Local Educational Agencies | | | | <u>3,179,805</u> |
| Supporting Effective Instruction State Grants | 28-22-50-50 | 28-23-50-50 | 84.367 | 172,893 |
| Special Education - Grants to States - IDEA, Part B | 28-22-1B1-50 | 28-23-1B1-50 | 84.027 | 1,754,336 |
| COVID-19 - Special Education - Grants to States - IDEA ARP | - | 28-22-1A11-50 | 84.027 | 90,148 |
| Total Special Education - Grants to States - IDEA | | | | <u>1,844,484</u> |
| Special Education - Pre-School Grants | 28-22-P1-50 | 28-23-P1-50 | 84.173 | 56,254 |
| Total Special Education Cluster | | | | <u>1,900,738</u> |
| Student Support and Academic Enrichment Program - Title IV | 28-22-71-50 | 28-23-71-50 | 84.424 | 169,487 |
| Student Support and Academic Enrichment Program - Title IV (Set Aside) | - | 28-22-U1RD-50 | 84.424 | 9,000 |
| Total Student Support and Academic Enrichment Program | | | | <u>178,487</u> |
| English Language Acquisition State Grants - Title III | 28-22-60-50 | 28-23-60-50 | 84.365 | 20,848 |
| Migrant Education - State Grant Program | 28-22-M1-50 | 28-23-M1-50 | 84.011 | 52,845 |
| Striving Readers/Comprehensive Literacy Development - SRCL2 Grades K - 5 | - | 28-23-CCUK-50 | 84.371 | 79,320 |
| Striving Readers/Comprehensive Literacy Development - SRCL2 Grades 6 - 8 | - | 28-23-CLU6-02 | 84.371 | 215,265 |
| Total Striving Readers/Comprehensive Literacy Development | | | | <u>294,585</u> |

(continued)

-Numbers are not readily accessible.

ST. MARTIN PARISH SCHOOL BOARD
Breau Bridge, Louisiana

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

| Federal Grantor/Pass-Through Grantor/Program Name | Pass-through Identifying Number 2022 | Pass-through Identifying Number 2023 | Assistance Listing Number | Expenditures |
|--|---|---|---------------------------------|--------------------------|
| <u>United States Department of Education (continued):</u> | | | | |
| Passed through Louisiana Department of Education - | | | | |
| COVID-19 - Education Stabilization Fund - Real-time Early Access to Literacy | 28-21-REL2-50 | 28-22-REL2-50 | 84.425 | 40,127 |
| COVID-19 - Education Stabilization Fund - ESSERF - III Incentive | - | 28-21-ES31-50 | 84.425 | 100,483 |
| COVID-19 - Education Stabilization Fund - ESSERF II Formula | 28-22-ES2F-50 | 28-23-ES2F-50 | 84.425 | 4,149,939 |
| COVID-19 - Education Stabilization Fund - ESSERF Formula | - | 28-20-ESRF-50 | 84.425 | 46,218 |
| COVID-19 - Education Stabilization Fund - ESSERF -II Incentive | - | 28-21-ES21-50 | 84.425 | 214,129 |
| COVID-19 - Education Stabilization Fund - ESSER III Formula | - | 28-23-ES3F-50 | 84.425 | 4,058,721 |
| COVID-19 - Education Stabilization Fund - ESSERF III Intervention | 28-21-ES3B-50 | 28-23-ES3B-50 | 84.425 | 1,650,058 |
| Total Education Stabilization Fund | | | | <u>10,259,675</u> |
| Total United States Department of Education | | | | <u>16,112,948</u> |
| <u>United States Department of Health and Human Services:</u> | | | | |
| Direct Program - | | | | |
| Head Start | - | - | 93.600 | 4,757,418 |
| COVID-19 - Head Start - COVID Supplement (Cares) | - | - | 93.600 | 101,169 |
| COVID-19 - Head Start - COVID Supplement (ARP) | - | - | 93.600 | 462,748 |
| Total Head Start Cluster | | | | <u>5,321,335</u> |
| Passed through Louisiana Department of Education - | | | | |
| Every Student Succeeds Act/Preschool Development Grants - Ready Start | 28-21-RSB5-50 | 28-22-RSB5-50 | 93.434 | 69,355 |
| Child Care and Development Block Grant - ICC Network | - | 28-22-COLC-50 | 93.575 | 23,082 |
| Child Care and Development Block Grant - Community Supply Blg and Access | - | 28-22-SBEA-50 | 93.575 | 483,882 |
| Child Care and Development Block Grant - Ready Start | 28-21-RSNC-50 | 28-22-RSNC-50 | 93.575 | 10,819 |
| Total Child Care and Development Block Grant | | | | <u>517,783</u> |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 28-21-RSCC-50 | 28-22-RSCC-50 | 93.596 | 40,949 |
| Total CCDF Cluster | | | | <u>558,732</u> |
| Total United States Department of Health and Human Services | | | | <u>5,949,422</u> |
| Total | | | | <u>\$ 27,765,183</u> |

-Numbers are not readily accessible.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

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

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Martin Parish School Board (the School Board). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2023.

(3) Indirect cost rate

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

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
For the Year Ended June 30, 2023

Part I: Summary of Auditors' Results:

1. An unmodified opinion was issued on the financial statements.
2. There was one material weakness in internal control disclosed by the audit of the financial statements. Significant deficiencies in internal control were not disclosed by the audit of the financial statements.
3. Material noncompliance was not disclosed.
4. No material weaknesses or significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unmodified opinion was issued on compliance for the major programs.
6. The audit disclosed no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance.
7. The major programs were:
COVID-19-Education Stabilization Fund (84.425)
Special Education-Pre-School Grants (84.173) – Special Education Cluster
COVID-19-Special Education-Grants to States-IDEA ARP (84.027) – Special Education Cluster
Special Education-Grants to States-IDEA, Part B (84.027) – Special Education Cluster
Summer Food Service Program for Children (10.559) – Child Nutrition Cluster
National School Lunch Program (10.555) – Child Nutrition Cluster
School Breakfast Program (10.553) – Child Nutrition Cluster
Food Donation (10.555) – Child Nutrition Cluster
8. The dollar threshold used to distinguish between Type A and Type B programs was \$832,955.
9. The auditee did qualify as a low-risk auditee.

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

2023-001 – Misappropriation of Funds; Year Initially Occurred – 2023

Condition and Criteria:

An employee of the St. Martin Parish School Board allegedly misappropriated funds from the School Activity Funds of Breux Bridge High School. Funds in the amount of \$6,499 could not be traced to the collection log and accordingly, could not be traced to deposits/bank records.

(continued)

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

Effect:

This condition represents a material weakness in the internal control of the St. Martin Parish School Board.

Cause:

The condition resulted because there was no internal process to reconcile receipt books maintained by the School Activity Club Sponsor to collection logs maintained by the High School bookkeeper to ensure that all funds collected by the Club Sponsor were in fact given to the bookkeeper to be deposited.

Recommendation:

The St. Martin Parish School Board should consider implementing a process whereby receipt books are compared and reconciled to collection logs and deposits/bank records on a systematic and periodic basis by a person independent of the collection and deposit functions. Any discrepancies should be investigated and resolved immediately.

Management's Corrective Action Plan

Management will consider implementing a process whereby receipt books are compared and reconciled to collection logs and deposits/bank records on a systematic and periodic basis by a person independent of the collection and deposit functions. Any discrepancies will be investigated and resolved immediately. Ms. Casey Broussard, CFO, is responsible for this plan.

See additional information below as it relates to this finding.

| # | ELEMENT OF FINDING | RESPONSE |
|---|--|---|
| 1 | A general statement describing the fraud or misappropriation that occurred. | The cheer sponsor for Breux Bridge High School collected annual cheer fees from the cheer squad members. Both cash and checks were collected. Only checks were turned into the school bookkeeper to be deposited. |
| 2 | A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment). | Cash payments for cheer fees. |
| 3 | The amount of funds or approximate value of assets involved. | \$6,499 |
| 4 | The department or office in which the fraud or misappropriation occurred. | Breux Bridge High School |

(continued)

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

| # | ELEMENT OF FINDING | RESPONSE |
|----|--|--|
| 5 | The period of time over which the fraud or misappropriation occurred. | June 2020 to July 2022 |
| 6 | The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation. | School secretary/cheer sponsor |
| 7 | The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated. | N/A |
| 8 | Is the person who committed or is believed to have committed the act of fraud still employed by the agency? | No |
| 9 | If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation? | N/A |
| 10 | Has the agency notified the appropriate law enforcement body about the fraud or misappropriation? | Yes |
| 11 | What is the status of the investigation at the date of the auditor's/accountant's report? | Local Sheriff made arrest and turned investigation over to the District Attorney's office. The investigation is still ongoing with the District Attorney's office. |
| 12 | If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person? | Yes |
| 13 | What is the status of any related adjudication at the date of the auditor's/accountant's report? | N/A—still pending with the District Attorney's office. |
| 14 | Has restitution been made or has an insurance claim been filed? | No |
| 15 | Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only) | Yes |

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana

Schedule of Findings, Questioned Costs and
Management’s Corrective Action Plan (continued)
For the Year Ended June 30, 2023

| # | ELEMENT OF FINDING | RESPONSE |
|----|--|---|
| 16 | Did the agency’s internal controls allow the detection of the fraud or misappropriation in a timely manner? | No |
| 17 | If the answer to the last question is “no,” describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner. | Material weakness in internal control. There was no internal process to reconcile receipt books back with collection logs to ensure all funds collected were turned in to be deposited. |
| 18 | Management’s plan to ensure that the fraud or misappropriation does not occur in the future | See management’s corrective action plan on page 90. |

Part III: Findings and questioned costs for Federal awards in accordance with 2 CFR Section 200 of the Uniform Guidance:

There are no findings at June 30, 2023

Part IV: Management Letter Item:

2023-002– Misappropriation of Funds; Year Initially Occurred – 06/30/2016

In fiscal year ended June 30, 2016, an employee of the school board misappropriated funds from the administrative office. The employee was arrested in August 2016. The approximate amount of the misappropriation was estimated at \$17,338 as of June 30, 2016.

In fiscal year ended June 30, 2017, Casey V. Broussard, CFO and Allen Blanchard, Jr., Director of Personnel contacted the St. Martin Parish Sheriff’s Office, the Sixteenth Judicial District Attorney’s Office, and the Legislative Auditor’s Office. The case is being handled by the District Attorney’s Office. The defendant pled guilty on April 24, 2017. She was sentenced to serve three years of hard labor, which was suspended, and she was placed on supervised probation for a period of five years. The defendant has paid very little restitution. The school board is still owed funds of approximately \$13,595. The former employee had until April 24, 2022 to make full payment.

Although the finding was not completely resolved as of June 30, 2023, the only “open” component of the matter is the restitution owed to the school board.

(continued)

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

Management's Corrective Action Plan:

Ms. Casey V. Broussard, CFO contacted the District Attorney's Office (DA's Office) to discuss this matter. The defendant's probation was revoked unsatisfactorily and transferred to a civil case. This created a judicial mortgage on everything she owns. The School Board's attorney is taking the preliminary steps needed to file in civil court to have a garnishment made against her. A Judgment Debtor Rule is scheduled. Once relevant information is obtained at the Judgment Debtor Ruling, the School Board can begin garnishing income sources, such as wages, income tax refunds, etc. Management will continue to monitor the collection of the restitution owed to the school board.

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Section I: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

There were no findings at June 30, 2022.

Section II: Findings and questioned costs for Federal awards in accordance with 2 CFR Section 200 of the Uniform Guidance:

There were no findings at June 30, 2022.

Section III: Management Letter Items:

2022-001 – Misappropriation of Funds

Finding:

In fiscal year ended June 30, 2016, an employee of the school board misappropriated funds from the administrative office. The employee was arrested in August 2016. The approximate amount of the misappropriation was estimated at \$17,338 as of June 30, 2016.

In fiscal year ended June 30, 2017, Casey V. Broussard, CFO and Allen Blanchard, Jr., Director of Personnel contacted the St. Martin Parish Sheriff's Office, the Sixteenth Judicial District Attorney's Office, and the Legislative Auditor's Office. The case is being handled by the District Attorney's Office. The defendant pled guilty on April 24, 2017. She was sentenced to serve three years of hard labor, which was suspended, and she was placed on supervised probation for a period of five years. The defendant has paid very little restitution. The school board is still owed funds of approximately \$14,145. The former employee had until April 24, 2022 to make full payment.

Although the finding was not completely resolved as of June 30, 2022, the only "open" component of the matter is the restitution owed to the school board.

Status:

Mostly resolved. See item 2023-002.



St. Martin Parish School Board

P. O. Box 1000 Breaux Bridge Louisiana 70517

December 27, 2023

Champagne & Company, LLC
PO Box 250
Breaux Bridge, Louisiana 70517

St. Martin Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2023.

Independent public accounting firm:

Champagne & Company, LLC
PO Box 250
Breaux Bridge, Louisiana 70517

Audit period: Fiscal year ended June 30, 2023

The finding from the June 30, 2023 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Finding – Financial Statement Audit: Material Weakness

2023-001 Misappropriation of Funds

Recommendation:

The St. Martin Parish School Board should consider implementing a process whereby receipt books are compared and reconciled to collection logs and deposits/bank records on a systematic and periodic basis by a person independent of the collection and deposit functions. Any discrepancies should be investigated and resolved immediately.

Management's Corrective Action Plan

Management will consider implementing a process whereby receipt books are compared and reconciled to collection logs and deposits/bank records on a systematic and periodic basis by a person independent of the collection and deposit functions. Any discrepancies will be investigated and resolved immediately. Ms. Casey Broussard, CFO is responsible for this plan.

If there are any questions regarding this plan, please call Casey V. Broussard, Chief Financial Officer, at 337-332-2105.

Sincerely yours,

Casey V. Broussard
Chief Executive Officer

Telephone 337-332-2105
Fax 337-332-3050

EDERICK WILTZ
SUPERINTENDENT

RUSSEL C. FOTI
PRESIDENT

MARK HEBERT
VICE PRESIDENT

DISTRICT 1
STEVE FUSELIER

DISTRICT 2
WANDA B. VITAL

DISTRICT 3
EDNA M. JOHNSON

DISTRICT 4
JIMMY DURIO

DISTRICT 5
RUSSEL C. FOTI

DISTRICT 6
MIKE CLAY

DISTRICT 7
RICHARD POTIER

DISTRICT 8
FREDERIC STELLY

DISTRICT 9
MARLIN D'AUGEREAU

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

Champagne & Company, LLC

Certified Public Accountants

Russell F. Champagne, CPA, CGMA*
Penny Angelle Scruggins, CPA, CGMA*

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Frederick Wiltz, Superintendent
and Members of the St. Martin Parish
School Board; the Louisiana Department of
Education; and the Louisiana Legislative Auditor

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

The St. Martin Parish School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the 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 1)

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue

- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

There were no exceptions noted.

Class Size Characteristics (Schedule 2)

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

There were no exceptions noted.

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

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

There was one (1) exception noted. The years of experience reported on the PEP report for 1 of the 25 teachers sampled was incorrect.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were no exceptions noted.

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

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

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 27, 2023

ST. MARTIN PARISH SCHOOL BOARD
Breux Bridge, Louisiana
Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)
As of and for the Year Ended June 30, 2023

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

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

Schedule 2 – 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.

Schedule 1

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

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

| | Column A | Column B |
|---|-----------------|---------------------|
| <u>General Fund Instructional and Equipment Expenditures</u> | | |
| General Fund Instructional Expenditures: | | |
| Teacher and Student Interaction Activities: | | |
| Classroom Teacher Salaries | \$ 24,530,224 | |
| Other Instructional Staff Activities | 3,434,237 | |
| Instructional Staff Employee Benefits | 12,942,283 | |
| Purchased Professional and Technical Services | 518,953 | |
| Instructional Materials and Supplies | 804,384 | |
| Instructional Equipment | 103,075 | |
| Total Teacher and Student Interaction Activities | | 42,333,156 |
| Other Instructional Activities | | 265,473 |
| Pupil Support Activities | 4,974,194 | |
| Less: Equipment for Pupil Support Activities | - | |
| Net Pupil Support Activities | | 4,974,194 |
| Instructional Staff Services | 2,366,683 | |
| Less: Equipment for Instructional Staff Services | - | |
| Net Instructional Staff Services | | 2,366,683 |
| School Administration | 4,777,522 | |
| Less: Equipment for School Administration | - | |
| Net School Administration | | 4,777,522 |
| Total General Fund Instructional Expenditures (Total of Column B) | | <u>\$54,717,028</u> |
| Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000) | | <u>\$ 107,515</u> |
| <u>Certain Local Revenue Sources</u> | | |
| Local Taxation Revenue: | | |
| Constitutional Ad Valorem Taxes | | 1,039,178 |
| Renewable Ad Valorem Tax | | 4,074,812 |
| Debt Service Ad Valorem Tax | | 9,231,500 |
| Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes | | 437,709 |
| Sales and Use Taxes | | 21,072,053 |
| Total Local Taxation Revenue | | <u>\$35,855,252</u> |
| Local Earnings on Investment in Real Property: | | |
| Earnings from 16th Section Property | \$ 94,192 | |
| Earnings from Other Real Property | 14,362 | |
| Total Local Earnings on Investment in Real Property | | <u>\$ 108,554</u> |
| State Revenue in Lieu of Taxes: | | |
| Revenue Sharing - Constitutional Tax | \$ 68,523 | |
| Revenue Sharing - Other Taxes | 176,697 | |
| Revenue Sharing - Excess Portion | 2,790 | |
| Other Revenue in Lieu of Taxes | - | |
| Total State Revenue in Lieu of Taxes | | <u>\$ 248,010</u> |
| Nonpublic Textbook Revenue | <u>\$ 9,365</u> | |
| Nonpublic Transportation Revenue | <u>\$ -</u> | |

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Class Size Characteristics
As of October 1, 2022

| School Type | Class Size Range | | | | | | | |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
| | 1 - 20 | | 21 - 26 | | 27 - 33 | | 34+ | |
| | Percent | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary | 19.85% | 379 | 54.97% | 481 | 15.93% | 61 | 0.00% | 0 |
| Elementary Activity Classes | 2.93% | 56 | 9.26% | 81 | 2.09% | 8 | 50.00% | 10 |
| Middle/Jr. High | 15.40% | 294 | 18.51% | 162 | 27.42% | 105 | 0.00% | 0 |
| Middle/Jr. High Activity Classes | 6.23% | 119 | 0.23% | 2 | 3.39% | 13 | 20.00% | 4 |
| High | 44.00% | 840 | 16.00% | 140 | 48.56% | 186 | 30.00% | 6 |
| High Activity Classes | 11.58% | 221 | 1.03% | 9 | 2.61% | 10 | 0.00% | 0 |
| Combination | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 |
| Combination Activity Classes | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 |

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

Champagne & Company, LLC

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MANAGEMENT LETTER

Mr. Frederick Wiltz, Superintendent
and Members of the St. Martin Parish
School Board
Breux Bridge, Louisiana

We have audited the financial statements of the St. Martin Parish School Board for the year ended June 30, 2023 and submitted our report to you dated December 27, 2023. We noted a certain matter of concern as follows:

Inquiry was performed on the status of the misappropriation of funds discovered at the administrative office during fiscal year ended June 30, 2016 (see previous year audit report, Finding #2022-001). Minimal restitution has been received thus far. Personnel should monitor collection of the balance of restitution.

Should you have any questions or need additional information regarding this matter, please feel free to contact us.

Champagne & Company, LLC
Certified Public Accountants

Breux Bridge, Louisiana
December 27, 2023

ST. MARTIN PARISH SCHOOL BOARD

Breaux Bridge, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2023

Champagne & Company, LLC

Certified Public Accountants

Russell F. Champagne, CPA, CGMA*
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of St. Martin Parish School Board and the Louisiana Legislative Auditor:

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

The St. Martin Parish School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its 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:

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.

Written policies and procedures related to budgeting do not include amending the budget.

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

Written policies and procedures related to purchasing do not include how vendors are added to the vendor list.

- 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 rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures related to payroll/personnel do not include reviewing and approving time and attendance records.
- 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).
Written policies and procedures related to credit cards do not include required approvers of statements.
- 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.
Written policies and procedures related to ethics do not include the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, a system to monitor possible ethics violations, and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
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. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures related to prevention of sexual harassment do not include a requirement for annual reporting.

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. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The minutes do not reference monthly budget-to-actual comparisons on the general fund and semi-annual budget-to-actual comparisons on all special revenue funds.

- 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:

Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts for one random month during the fiscal period.

- 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);

Two of the bank reconciliations tested did not include evidence that it was prepared within two months of the related statement closing date.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, 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.

One of the bank reconciliations tested did not have documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

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).

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

- 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained a listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

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

No exceptions noted.

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

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, is (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 in force 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

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, 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).

Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

- 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or 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; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearing house (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

Obtained the entity's non-payroll disbursement transaction population and management's representation that the population is complete.

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

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, 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.

St. Martin Parish School Board did not have non-payroll related electronic disbursements available for testing; therefore, this step is not applicable.

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.

Obtained 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 names of the persons who maintained possession of the cards and obtained management's representation that the listing is complete.

- 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 procedure #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 (e.g., each card should have 10 transactions subject to inspection). 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 observe 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 and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

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

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

No exceptions noted.

- ii. If reimbursed using actual costs, observe that 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 Policies and Procedures procedure #1A(vii); and

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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete.

- 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 that 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 that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
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 that 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.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that 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 that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exceptions noted.

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

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 that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

One of the employees tested did not complete one hour of ethics training during the calendar year as required by R.S 42:1170.

- 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.

There were no changes to the entity's ethics policy; therefore, this step was not applicable.

- 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.

St. Martin Parish School Board did not issue any bonds/notes or other debt instruments during the fiscal period; therefore, this step is not applicable.

- 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.

No exceptions noted.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, (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 there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Three of the employees tested did not complete one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

St. Martin Parish School Board did not prepare an annual sexual harassment report for the current fiscal period therefore steps a-e are exceptions.

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

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

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

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
December 27, 2023

ST. MARTIN PARISH SCHOOL BOARD
Breaux Bridge, Louisiana

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2023

Management's Response to Item:

- 1Ai, Aii, Av, Aviii, Aix, Axii, Policies and procedures will be updated to include information required by the Statewide Agreed-Upon Procedures.
- 2Aii Management has incorporated this beginning October 2023.
- 3Ai, Aiii Proper personnel is in place to ensure all bank reconciliations are prepared and reviewed timely as well as researching reconciling items that have been outstanding for more than 12 months from the statement closing date.
- 10Ai, 14A Management will ensure that appropriate personnel monitor and verify that all employees complete one hour of ethics training and one hour of sexual harassment training.
- 14C Our modified policies and procedures (as mentioned above) will be followed to ensure that the annual sexual harassment report will be prepared going forward.