

CITY OF BAKER SCHOOL BOARD

BAKER, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

**CITY OF BAKER SCHOOL BOARD
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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

To James Stroder Superintendent,
and the Members of the City of Baker School Board
Baker, 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 City of Baker School Board (the School Board), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability

to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2025, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 21, 2025

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

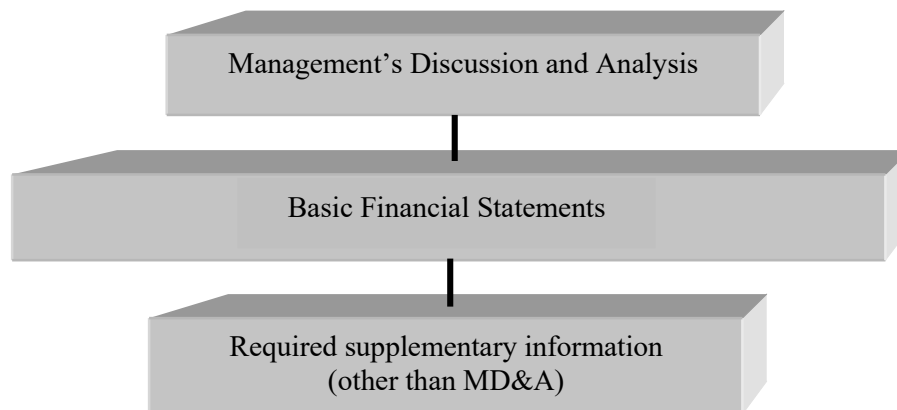
The Management’s Discussion and Analysis of the City of Baker School Board’s (the School Board) financial performance presents a narrative overview and analysis of the School Board’s financial activities for the year ended June 30, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information (where available).

FINANCIAL HIGHLIGHTS

- ★ The City of Baker School Board’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by approximately \$11.8 million.
- ★ At June 30, 2024, the deficit in unrestricted net position in the Statement of Net Position was primarily caused by the net pension liability, net other post-employment benefits obligation, and the related deferred inflows of resources, that totaled approximately \$12.0 million, \$9.1 million, and \$7.3 million, respectively.
- ★ Revenues exceeded expenses by approximately \$3.3 million on a full accrual basis for the 2024 fiscal year, representing a positive increase in the long-term financial condition of the School Board.
- ★ Ad valorem tax and sales and use taxes decreased from the prior year by a total of approximately \$14,000 in comparison to 2023. Minimum Foundation Program (MFP) revenues decreased approximately \$760,000 in comparison to 2023. Capital grants decreased by approximately \$6.8 million compared to 2023 because of FEMA funds related to the Baker High School renovation being fully expended in 2023. However, operating increased by almost \$1.3 million, primarily as a result of ESSER funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board.



These financial statements consist of three sections - Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

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

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

The *statement of net position* presents information on all of the School Board's assets, deferred outflows, liabilities and deferred inflows of resources, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused sick leave).

Both government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains several individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Flood Recovery, Title I, ESSER, and Food Service, which are the School Board's major funds. The remaining funds are combined into a single, aggregated presentation under the label of non-major governmental funds, which contains all other governmental funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

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

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Position
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 2,990,140	\$ 6,502,770
Receivables	5,620,399	10,939,293
Inventory	25,713	22,703
Other assets	28,283	27,683
Capital assets, net of accumulated depreciation	<u>33,298,835</u>	<u>20,336,798</u>
Total assets	41,963,370	37,829,247
Deferred outflows of resources	<u>10,404,523</u>	<u>11,050,844</u>
Total assets and deferred outflows of resources	<u>\$ 52,367,893</u>	<u>\$ 48,880,091</u>
Liabilities		
Accounts payable	\$ 1,955,778	\$ 963,944
Salaries and benefits payable	628,771	1,001,323
Long-term liabilities:		
Due within one year	368,558	368,609
Due in more than one year	9,188,544	8,085,632
Other post-employment benefit obligation	9,052,882	6,654,681
Net pension liability	<u>12,037,736</u>	<u>14,768,761</u>
Total liabilities	33,232,269	31,842,950
Deferred inflows of resources	<u>7,304,407</u>	<u>8,512,261</u>
Total liabilities and deferred inflows of resources	<u>40,536,676</u>	<u>40,355,211</u>
Net position		
Net investment in capital assets	24,453,257	13,824,545
Restricted	863,365	6,083,780
Unrestricted	<u>(13,485,405)</u>	<u>(11,383,445)</u>
Total net position	<u>11,831,217</u>	<u>8,524,880</u>
Total liabilities, deferred inflows of resource, and net position	<u>\$ 52,367,893</u>	<u>\$ 48,880,091</u>

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

- Cash and cash equivalents decreased by approximately \$3.5 million over the prior fiscal year, which was primarily a result of spending down funds from the prior year bond issuance related to the Baker High renovation project. However, some of these amounts (approximately \$2.2 million) are reimbursable by FEMA and the Louisiana CDBG program. Overall total assets increased by approximately \$3.5 million over the prior year, primarily related to the increase in construction in progress referenced above.
- Capital assets (reported net of accumulated depreciation), which accounts for 79% of the total assets of the School Board, increased by approximately \$13 million, net of accumulated depreciation, primarily related to the Baker High renovation project referenced above.
- The net pension liability decreased approximately \$2.7 million and other post-employment benefits obligation increased approximately \$2.4 million. The deferred inflows of resources related to these liabilities decreased by approximately \$1.2 million.
- The unrestricted net deficit was increased approximately \$2.1 million or 18% as a result of the School Board investing unrestricted funds into the Baker High Renovation Project.

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Statements of Revenues and Expenses
as of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue		
Program revenues		
Charges for services	\$ 177,744	\$ 167,217
Operating grants	7,933,827	6,602,743
Capital grants	152,394	6,963,172
General revenues		
Taxes		
Ad valorem tax	2,663,974	2,549,012
Sales and use tax	4,971,153	5,100,341
State revenue sharing	43,452	44,034
Minimum foundation program	6,608,523	7,364,814
Other grants	282,329	408,945
Interest and investment earnings	312,704	328,438
Miscellaneous	266,718	111,428
Total revenue	<u>23,412,818</u>	<u>29,640,144</u>
Expenses		
Regular education programs	3,724,918	3,750,022
Special education programs	957,005	1,030,233
Other education programs	4,535,652	4,540,960
Pupil support services	917,342	701,155
Instructional staff services	460,467	933,013
General administrative services	646,116	740,426
School administrative services	762,878	1,017,321
Business and central services	386,158	442,181
Plant operation and maintenance	2,511,765	2,499,708
Transportation	827,732	812,185
Food services	911,282	1,013,205
Charter school appropriation	3,098,028	2,912,905
Interest on long-term debt	367,138	254,092
Total expenses	<u>20,106,481</u>	<u>20,647,406</u>
Change in net position	<u>\$ 3,306,337</u>	<u>\$ 8,992,738</u>

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Revenue

- Operating and capital grant revenue, which accounts for approximately 34% of total revenues, decreased by approximately \$5.5 million. Operating grants increased approximately \$1.3 million, primarily due to an increase in COVID-related ESSER grants. Additionally, capital grants decreased by approximately \$6.8 million, primarily related to the reduction in FEMA and CDBG revenues for the Baker High renovation project referenced above.
- Local tax revenues consist of sales and property taxes and decreased approximately \$14,000 total compared to 2023. These local tax revenues are approximately 33% of total revenue in 2024. There have been nominal increases in these tax resources over the past couple fiscal years.
- Minimum Foundation Program (MFP) revenue decreased by \$750,000, in comparison to fiscal 2023 as result of decreased enrollment compared to the prior year. MFP revenues accounted for approximately 28% of total revenues in 2024.

Expense

- Overall expenses decreased by approximately \$540,000 or 3% from the prior year, primarily due to a decrease in various administrative and support staff services of approximately \$660,000, an increase in interest on long-term debt of approximately \$113,000, and an increase in charter school appropriations of approximately \$185,000 as compared to 2023. All other expenses decreased by approximately \$178,000 in total as compared to the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2024, the City of Baker School Board had approximately \$33.3 million invested in a broad range of capital assets, including land, building, and equipment. (See Table below). This amount represents a net increase (including additions and depreciation) of \$13 million from last year due to asset additions of approximately \$13.5 million and depreciation expense of approximately \$500,000.

Capital Assets at June 30,
(Net of Accumulated Depreciation)

	<u>2024</u>	<u>2023</u>
Land	\$ 149,536	\$ 149,536
Construction in progress	26,113,511	12,675,147
Buildings and improvements	6,755,792	7,106,174
Furniture, Fixtures, and Equipment	<u>279,996</u>	<u>405,941</u>
	<u>\$ 33,298,835</u>	<u>\$ 20,336,798</u>

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

Long-term debt

The School Board’s long-term debt consists of the remaining balance owed on 2022 and 2024 bond issuances, liability for compensated absences, claims and judgements, an obligation for postemployment benefits (OPEB), and the School Board’s net pension liability.

Long-Term Debt at June 30,

	<u>2024</u>	<u>2023</u>
Bonds payable	\$ 9,128,370	\$ 7,925,000
Claims and judgements	11,872	11,872
Compensated absences	416,860	517,369
Net pension liability	12,037,736	14,768,761
Net other post-employment benefit obligations	<u>9,052,882</u>	<u>6,654,681</u>
	<u>\$ 30,647,720</u>	<u>\$ 29,877,683</u>

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Budget amendments were adopted during the year ended June 30, 2024 for the General Fund to better reflect actual operations as they evolved through the fiscal year. Amendments included increases in projected sales and ad valorem tax revenues and decreases in MFP funding due to a decrease in student enrollment. Additionally, there were amendments to decrease expenditures related to various instructional and education programs, along with an increase to charter school appropriations.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

For the fiscal year 2024-2025, the School Board anticipates a break-even budget its General Fund due to a slight increase in revenues, primarily related to MFP funding. Additionally, the School Board is anticipating a slight increase in operating expenditures.

The City of Baker School Board’s elected and appointed officials considered the following factors and indicators when setting next year’s budget, rates, and fees. These factors and indicators include:

- Ad-valorem and sales tax revenues are budgeted conservatively, leaving amounts comparable to amounts collected in fiscal year ended June 30,2024.
- MFP revenue is projected to increase in fiscal year 2024.
- Charter school appropriations are expected to decrease approximately \$100,000 in 2025 as compared to 2024.

**CITY OF BAKER SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024**

CONTACTING THE SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Sidney Stewart, Business Manager, City of Baker School Board, P.O Box 680, Baker, LA 70704-0680, 225-774-5795.

CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

Cash and cash equivalents	\$ 2,990,140
Receivables:	
Taxes	812,788
Due from other governments	4,807,611
Prepaid expenses	28,283
Inventory	25,713
Noncurrent assets:	
Non-depreciable	26,263,047
Depreciable, net	7,035,788
	<hr/>
TOTAL ASSETS	41,963,370

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension contributions	1,979,534
Deferred amounts related to other post employment benefits	3,106,601
Deferred amounts related to net pension liability	5,318,388
	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,404,523
	<hr/>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 52,367,893

LIABILITIES

Accounts payable	\$ 1,955,778
Salaries and benefits payable	628,771
Long-term liabilities:	
Due within one year	368,558
Due in more than one year	9,188,544
Other post-employment benefit obligation	9,052,882
Net pension liability	12,037,736
	<hr/>
TOTAL LIABILITIES	33,232,269

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability	4,451,941
Deferred amounts related to other postemployment benefits	2,852,466
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	7,304,407

NET POSITION

Net investment in capital assets	24,453,257
Restricted	863,365
Unrestricted	(13,485,405)
	<hr/>
TOTAL NET POSITION	11,831,217
	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 52,367,893

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
Regular education programs	\$ 3,724,918	\$ -	\$ 337,752	\$ -	\$ (3,387,166)
Special education programs	957,005	-	328,503	-	(628,502)
Other education programs	4,535,652	176,358	1,277,489	-	(3,081,805)
Support Services:					
Pupil support services	917,342	-	-	-	(917,342)
Instructional staff services	460,467	-	-	-	(460,467)
General administration services	646,116	-	5,026,843	-	4,380,727
School administration services	762,878	-	-	-	(762,878)
Business and central services	386,158	-	-	-	(386,158)
Plant operation and maintenance	2,511,765	-	-	-	(2,511,765)
Transportation	827,732	-	-	-	(827,732)
Food services	911,282	1,386	963,240	-	53,344
Appropriation to charter schools	3,098,028	-	-	-	(3,098,028)
Facilities construction and repairs	-	-	-	152,394	152,394
Interest on long-term debt	367,138	-	-	-	(367,138)
Total Governmental Activities	<u>\$ 20,106,481</u>	<u>\$ 177,744</u>	<u>\$ 7,933,827</u>	<u>\$ 152,394</u>	<u>(11,842,516)</u>
General Revenues:					
Local sources:					
Ad valorem taxes					\$ 2,663,974
Sales and use taxes					4,971,153
State revenue sharing					43,452
Grants and contributions not restricted to specific purposes:					
Minimum foundation program (MFP)					6,608,523
Other grants					282,329
Earnings on investments					312,704
Other					266,718
Total general revenues					<u>15,148,853</u>
Change in Net Position					3,306,337
Net Position - beginning of year					<u>8,524,880</u>
Net Position - end of year					<u>\$ 11,831,217</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	General	Capital Project Flood Recovery	Title I	School Food Service	ESSER	Non-major Governmental	Total
ASSETS							
Cash and cash equivalents	\$ 2,425,799	113,396	\$ -	\$ -	\$ -	\$ 450,945	\$ 2,990,140
Receivables:							
Due from other governments	79,457	2,231,890	446,050	43,037	1,160,292	846,885	4,807,611
Taxes	812,788	-	-	-	-	-	812,788
Due from other funds	2,761,973	-	-	-	-	-	2,761,973
Prepaid expenses	27,868	-	-	-	-	415	28,283
Inventory	-	-	-	25,713	-	-	25,713
TOTAL ASSETS	\$ 6,107,885	\$ 2,345,286	\$ 446,050	\$ 68,750	\$ 1,160,292	\$ 1,298,245	\$ 11,426,508
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 33,046	\$ 1,910,962	\$ 8,574	\$ -	\$ 1,780	\$ 1,416	\$ 1,955,778
Salaries and benefits payable	628,771	-	-	-	-	-	628,771
Due to other funds	-	-	437,476	183,587	1,158,512	982,398	2,761,973
TOTAL LIABILITIES	661,817	1,910,962	446,050	183,587	1,160,292	983,814	5,346,522
Fund balances:							
Nonspendable related to inventory	-	-	-	25,713	-	-	25,713
Nonspendable related to prepaid expenses	27,868	-	-	-	-	415	28,283
Restricted for flood recovery capital project	-	434,324	-	-	-	-	434,324
Restricted for other education programs	-	-	-	-	-	466,839	466,839
Unassigned	5,418,200	-	-	(140,550)	-	(152,823)	5,124,827
TOTAL FUND BALANCES	5,446,068	434,324	-	(114,837)	-	314,431	6,079,986
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,107,885	\$ 2,345,286	\$ 446,050	\$ 68,750	\$ 1,160,292	\$ 1,298,245	\$ 11,426,508

The accompanying notes are an integral part of this statement.

CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances at June 30, 2024 - Governmental Funds		\$ 6,079,986
Amounts reported for governmental activities in the statement of net position is different due to the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds		
Cost of capital assets at June 30, 2024	41,849,680	
Less: Accumulated depreciation as of June 30, 2024	<u>(8,550,845)</u>	33,298,835
Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds.		
Long-term liabilities at June 30, 2024:		
Bonds payable	(9,128,370)	
Claims payable	(11,872)	
Compensated absences payable	(416,860)	
Net other post-employment benefit obligation	(9,052,882)	
Net pension liability	<u>(12,037,736)</u>	(30,647,720)
Deferred inflows and outflows of resources are not reported in the governmental funds.		
Deferred outflows of resources - deferred pension contributions	1,979,534	
Deferred outflows of resources related to net pension liability	5,318,388	
Deferred outflows of resources related to other postemployment benefits	3,106,601	
Deferred inflows of resources related to net pension liability	(4,451,941)	
Deferred inflows of resources related to other postemployment benefits	<u>(2,852,466)</u>	<u>3,100,116</u>
Total Net Position at June 30, 2024 - Governmental Activities		<u><u>\$ 11,831,217</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	General	Capital Project Flood Recovery	Title I	School Food Service	ESSER	Other Non- Major	Total
REVENUES							
Local sources:							
Ad valorem taxes	\$ 2,663,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,663,974
Sales and use tax	4,971,153	-	-	-	-	-	4,971,153
Earnings on investments	236,809	75,895	-	-	-	-	312,704
Food sales	-	-	-	1,386	-	-	1,386
Other	86,395	-	-	-	-	176,358	262,753
State sources:							
Minimum foundation program (MFP)	6,598,256	-	-	10,267	-	-	6,608,523
Restricted grants-in-aid	375,605	-	-	17,235	-	227,241	620,081
Other	43,452	-	-	-	-	-	43,452
Federal grants	-	152,394	1,155,405	963,240	4,575,685	1,082,068	7,928,792
TOTAL REVENUES	14,975,644	228,289	1,155,405	992,128	4,575,685	1,485,667	23,412,818
EXPENDITURES							
Current:							
Instruction:							
Regular education programs	3,615,983	-	-	-	143,332	-	3,759,315
Special education programs	922,076	-	-	-	-	124,892	1,046,968
Other education programs	635,612	-	942,394	-	2,573,498	723,171	4,874,675
Support:							
Pupil support services	756,581	-	-	-	123,673	-	880,254
Instructional staff services	175,539	-	183,871	-	3,284	242,402	605,096
General administration services	803,351	-	-	-	-	-	803,351
School administration services	837,675	-	-	-	(1)	-	837,674
Business and central services	266,543	-	-	-	-	-	266,543
Plant operation and maintenance	1,946,502	-	-	-	80,431	34,500	2,061,433
Transportation	790,300	-	6,826	-	51,890	5,261	854,277
Food services	7,979	-	-	933,976	12,792	-	954,747
Central services	154,938	-	-	-	-	-	154,938
State appropriations to charter schools	3,098,028	-	-	-	-	-	3,098,028
Facility construction and capital outlay	311,487	11,628,570	-	-	1,142,232	416,658	13,498,947
Debt issuance costs	-	91,830	-	-	-	-	91,830
Debt service:							
Principal and interest	575,735	4,573	-	-	-	-	580,308
TOTAL EXPENDITURES	14,898,329	11,724,973	1,133,091	933,976	4,131,131	1,546,884	34,368,384
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	77,315	(11,496,684)	22,314	58,152	444,554	(61,217)	(10,955,566)
OTHER FINANCING SOURCES (USES)							
Transfers in	467,170	4,763,930	-	-	-	-	5,231,100
Transfers out	(4,763,930)	-	(22,314)	-	(444,554)	(302)	(5,231,100)
Proceeds from the issuance of long-term debt	-	1,508,370	-	-	-	-	1,508,370
TOTAL OTHER FINANCING SOURCES (USES)	(4,296,760)	6,272,300	(22,314)	-	(444,554)	(302)	1,508,370
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES							
	(4,219,445)	(5,224,384)	-	58,152	-	(61,519)	(9,447,196)
FUND BALANCES - beginning of year	9,665,513	5,658,708	-	(172,989)	-	375,950	15,527,182
FUND BALANCES - end of year	\$ 5,446,068	\$ 434,324	\$ -	\$ (114,837)	\$ -	\$ 314,431	\$ 6,079,986

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Excess (deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses - Total Governmental Funds	\$	(9,447,196)
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Amounts reported for governmental activities in the statement of activities
are different due to the following:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense.

Capital outlay and other expenditures capitalized	13,498,947	
Depreciation expense for year ended June 30, 2024	<u>(536,910)</u>	12,962,037

Principal payments on long-term debt represent the use of financial
resources in governmental funds. However, these payments reduce the
long-term liability in the statement of net position and are not considered
expenses within the statement of activities.

Proceeds from issuance of debt		(1,508,370)
Principal payments on debt		<u>305,000</u>

Certain expenses reported in the statement of activities do not
require the use of current financial resources and therefore are
not reported as expenditures in governmental funds.

Change in net pension liability and deferred inflows and outflows in accordance with GASB 68	1,227,304	
Other post-employment benefit expense	(332,947)	
Change in claims and judgments payable	-	
Change in compensated absences payable	<u>100,509</u>	<u>994,866</u>

Change in Net Position - Governmental Activities	\$	<u><u>3,306,337</u></u>
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The accompanying notes are an integral part of this statement.

CITY OF BAKER SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Baker School Board (School System) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting.

Reporting Entity

The City of Baker School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education within the boundaries of the City of Baker. 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 five members who are elected from five districts for terms of four years.

The School Board operates five schools within the City of Baker, Louisiana, with a total enrollment of approximately 1,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

Basis of Presentation and Accounting

The School Board's Basic Financial Statements consist of the government-wide statements (on all of the non-fiduciary activities) and the fund financial statements (individual major funds and combined non-major funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental entities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements present all of the non-fiduciary fund activity of the School Board and were prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur and property taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. This statement demonstrates the degree to which direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government. Capital grants and contributions consist of public assistance grants from the federal and state government.

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.

Fund Financial Statements (FFS)

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

The funds of the School Board are classified into two categories: governmental and fiduciary. The School Board does not have any fiduciary funds as of and for the year ended June 30, 2024. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

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

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

Capital Project Flood Recovery Fund is used to account for the proceeds of funds received from FEMA as part of a plan to rebuild school facilities and replenish equipment damaged in the Flood of 2016. Additionally, this fund accounts for the proceeds of the 2022 and 2024 bond issuances, and all other resources and expenditures related to the restoration of Baker High School.

Title I Fund is used to account for funds received and expended related to the Title I program, which is administered by the State to provide supplementary instruction for at-risk students.

The Elementary and Secondary School Emergency Relief (ESSER) Fund is used to account for federal emergency relief funds to address the impact of COVID-19 on elementary and secondary schools across the nation.

School Food Service Fund is used to account for activities of the School System's food service program.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Revenues

Ad valorem taxes are recognized when a legally enforceable claim arises (generally when levied) and the resources are available.

Sales and use taxes are recognized when the underlying exchange transaction occurs and the resources are available.

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

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

Expenditures

Salaries and benefits are recorded as earned. Salaries for nine-month employees are accrued as of June 30, 2024.

Vendor payments are recorded as the obligation is incurred.

Other Financing Sources (Uses) consist of transfers between funds that are not expected to be repaid, capital lease transactions, sales of fixed assets, debt extinguishments, and long-term debt proceeds, and are recognized at the time the underlying events occur.

Cash and Investments

Cash consists of demand deposits. Time deposits and those investments with original maturities of 90 days or less are categorized as cash equivalents.

Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are generally restricted to debt securities backed by the U.S. Government or its agencies.

Short-term Interfund Receivables/Payable

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the governmental funds balance sheet.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Elimination and Reclassification

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventory

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when used. All purchased inventory items are valued at cost using first-in, first-out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

Capital Assets

All capital assets are capitalized at historical cost or estimated historical costs for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a \$5,000 threshold level for capitalizing assets.

Capital assets are recorded in the GWFS but are not reported in the FFS. All depreciable capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School System, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 5 to 10 years for furniture and equipment; and 40 years for buildings and improvements.

Compensated Absences

All 12-month employees earn up to twenty days of vacation leave each year, depending on their length of service with the School System. Vacation leave can be accumulated up to 50 days. Upon separation, all unused vacation is paid to the employee.

All School Board employees earn up to twelve days of sick leave each year, depending upon the length of service and employment status. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement computation as earned service.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

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

Accounting standards further provide that a liability for sick leave should be accrued using one of the following termination approaches:

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

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Non-spendable - represent balances that are not expected to be converted to cash.

Restricted - represent balances where constraints have been established by parties outside of the School Board or by enabling legislation.

Committed - represent balances where constraints have been established by formal action of the Board of the School System. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned - represent balances where informal constraints have been established by the School Board or committee or delegate thereof but are neither restricted nor committed.

Unassigned - represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts, and then unassigned amounts.

Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. (Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement.) All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Sales and Use Taxes

The voters of the City of Baker School Board authorized the School Board to levy and collect a permanent sales and use tax for 2% of all taxable activity within the geographical confines of the school district. Revenues generated by the tax must be used to supplement other revenues available to the School System, to pay for salary and benefits of school personnel, and to maintain and operate the school system. The receipt and expenditure of the sales and use taxes are included in the operations of the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Pension Plans

The City of Baker School Board is a participating employer in three defined benefit pension plans as described in Note 5. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

Other Postemployment Benefits

The total OPEB liability is reported in compliance with GASB Statement No. 75 because the School Board does not pre-fund the OPEB plan in a trust that meets the criteria in the GASB standards. The total OPEB liability represents the actuarial present value of projected OPEB benefit payments attributable to employees' past service as of June 30, 2024.

NOTE 2 - AD VALOREM TAXES

The School Board levies taxes on real and business personal property located within the City of Baker's boundaries. Property taxes are levied by the School Board on property values assessed by the East Baton Rouge Parish Tax Assessor, except for public utility property which is assessed by the Louisiana Tax Commission. Assessed values are approved by the Louisiana Tax Commission. The East Baton Rouge Parish Sheriff's Office bills and collects property taxes for the School System. Collections are remitted to the School Board monthly.

Ad valorem taxes are assessed and levied on a calendar year basis by the East Baton Rouge Parish Assessor's Office, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are billed on November 30, and are due by December 31. An enforceable lien attaches on the property as of January 1. After December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally collected in January, February and March of the following fiscal year.

NOTE 2 - AD VALOREM TAXES (CONTINUED)

Total net assessed value less homestead exemption was \$60,721,600 in calendar year 2023. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes.

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

Property taxes are recorded in the general fund on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises to the extent available. All taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

A summary of the various taxes levied for 2024 is as follows:

	Authorized Millage	Levied Millage	Expiration Date
City-wide taxes			
Constitutional tax	5.00	5.00	N/A
Special school maintenance tax	38.20	38.20	12/31/2032

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

The carrying amount (book balance) of the School Board's deposits of cash and cash equivalents with the financial institutions was \$2,990,140 as of June 30, 2024.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the School Board's deposits may not be returned. The School Board does not have a policy for custodial credit risk. However, to mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. These deposits are stated at cost, which approximates fair value. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the School Board or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the School Board's deposit balances (bank balances) of its cash and cash equivalents are comprised as follows:

Demand deposit accounts with financial institutions	\$ 4,550,096
Investments in Louisiana Asset Management Pool (LAMP)	24,119
Money market funds backed by U.S. securities	<u>384,685</u>
Total bank balances	<u><u>\$ 4,958,900</u></u>

Bank balances of demand deposit accounts with financial institutions are secured as follows:

Federal deposit insurance (FDIC)	362,582
Pledged securities	<u>4,187,514</u>
Total demand deposits	<u><u>\$ 4,550,096</u></u>

There were no deposits exposed to custodial credit risk as of June 30, 2024.

(Continued)

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 149,536	\$ -	\$ -	\$ 149,536
Construction in progress	<u>12,675,147</u>	<u>13,438,364</u>	<u>-</u>	<u>26,113,511</u>
Total	<u>12,824,683</u>	<u>13,438,364</u>	<u>-</u>	<u>26,263,047</u>
Capital assets being depreciated:				
Buildings and improvements	14,383,755	60,583	-	14,444,338
Furniture, fixtures, and equipment	<u>1,142,295</u>	<u>-</u>	<u>-</u>	<u>1,142,295</u>
Total	<u>15,526,050</u>	<u>60,583</u>	<u>-</u>	<u>15,586,633</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,277,581)	(410,965)	-	(7,688,546)
Furniture, fixtures, and equipment	<u>(736,354)</u>	<u>(125,945)</u>	<u>-</u>	<u>(862,299)</u>
Total	<u>(8,013,935)</u>	<u>(536,910)</u>	<u>-</u>	<u>(8,550,845)</u>
Total capital assets, being depreciated, net	<u>7,512,115</u>	<u>(476,327)</u>	<u>-</u>	<u>7,035,788</u>
Total capital assets, net	<u>\$ 20,336,798</u>	<u>\$ 12,962,037</u>	<u>\$ -</u>	<u>\$ 33,298,835</u>

Depreciation expense of \$536,910 for the year ended June 30, 2024, was charged to the following governmental functions:

Regular education programs	\$ 64,429
Plant operation and maintenance	<u>472,481</u>
	<u>\$ 536,910</u>

NOTE 5 - DEFINED BENEFIT PENSION PLANS

The City of Baker School Board (the School System) is a participating employer in multiple cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS), and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:	LSERS:	LASERS:
8401 United Plaza Blvd.	8660 United Plaza Blvd.	8401 United Plaza Blvd.
P.O. Box 94123	Baton Rouge, Louisiana 70804	1 st Floor
Baton Rouge, Louisiana	(225) 925-6484	Baton Rouge, Louisiana
70804-9123	www.lsers.net	70809
(225) 925-6446		(225) 922-0600
www.trsl.org		www.lasersonline.org

The School Board implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB 68. These standards require the School Board to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. The School Board has participants in TRSL's Regular Plan and in Plan A. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Teachers' Retirement System of Louisiana (TRSL) (continued)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Under LRS 11:778, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and have five or more years creditable service, or if employed on or after January 1, 2011 and attained at least 10 years of creditable service. Members employed prior to January 1, 2011 receive disability benefits equal to 2 ½% of his average compensation multiplied by his years of creditable service, but not more than 50% of his average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equal to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in LRS 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service credit regardless of when earned. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using a factor of 2 ½% regardless of years of service or age, or \$600 per month, whichever is greater.

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Louisiana School Employees' Retirement System (LSERS) (continued)

For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3 1/3% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2 1/2% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

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. LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2 1/2% of his average compensation multiplied by his years of creditable service, but not less than 33 1/3% of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Louisiana State Employees' Retirement System (LASERS)

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, 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. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2023, for the School Board and covered employees were as follows:

	<u>School</u>	<u>Employees</u>
School Employees' Retirement System (LSERS)		
Members hired prior to 07/01/2010	27.60%	8.00%
Members hired on or after 07/01/2010	27.60%	8.00%
Teachers' Retirement System (TRSL)		
K-12 Regular Plan	24.80%	8.00%
Higher Ed Regular Plan	24.10%	8.00%
Plan A	24.80%	9.10%
Plan B	24.80%	5.00%
State Employees' Retirement System (LASERS)		
Regular Employees hired before 7/01/06	41.30%	7.50%
Regular Employees hired on or after 7/01/06	41.30%	8.00%
Regular Employees hired on or after 1/01/11	41.30%	8.00%
Regular Employees hired on or after 7/01/15	41.30%	8.00%

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2023 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2024 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2023 along with the change compared to the June 30, 2022 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2023	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
LSERS	\$ 962,424	0.15908%	0.19004%	-0.03096%
TRSL	10,833,073	0.11984%	0.13729%	-0.01745%
LASERS	<u>242,239</u>	0.00362%	0.00526%	-0.00164%
Total	<u>\$ 12,037,736</u>			

The following schedule list each pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the School Board for the year ended June 30, 2024:

	Pension Expense (Benefit)
School Employees' Retirement System (LSERS)	\$ 135,660
Teachers' Retirement System (TRSL)	830,741
State Employees' Retirement System (LASERS)	<u>143,545</u>
Total	<u>\$ 1,109,947</u>

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 experience	\$ 541,775	\$ (615)
Changes of assumptions	501,439	(36,369)
Net difference between projected and actual earnings on pension plan investments	3,431,374	(2,727,261)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	843,800	(1,687,696)
Employer contributions subsequent to the measurement date	1,979,534	-
	<u>\$ 7,297,922</u>	<u>\$ (4,451,941)</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
School Employees' Retirement System	\$ 374,000	\$ (174,645)
Teachers' Retirement System	6,736,916	(4,277,296)
State Employees' Retirement System	187,006	-
	<u>\$ 7,297,922</u>	<u>\$ (4,451,941)</u>

The School Board reported a total of \$1,979,534 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in Net Pension Liability in the subsequent period. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
School Employees' Retirement System	\$ 176,911
Teachers' Retirement System	1,776,384
State Employees' Retirement System	26,239
	<u>\$ 1,979,534</u>

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<u>Year</u>	<u>LSERS</u>	<u>TRSL</u>	<u>LASERS</u>	<u>Total</u>
2024	37,113	(162,274)	111,910	\$ (13,251)
2025	(60,497)	(289,765)	40,102	(310,160)
2026	49,244	1,317,167	11,931	1,378,342
2027	<u>(3,416)</u>	<u>(181,893)</u>	<u>(3,175)</u>	<u>(188,484)</u>
	<u>\$ 22,444</u>	<u>\$ 683,235</u>	<u>\$ 160,768</u>	<u>\$ 866,447</u>

Actuarial Assumptions

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

	<u>Measurement/ Valuation Date</u>	<u>Expected Remaining Service Lives</u>	<u>Investment Rate of Return</u>
LSERS	June 30, 2023	3 years	6.8%, net of plan investment expenses
TRSL	June 30, 2023	5 years	7.25% net of investment expenses
LASERS	June 30, 2023	2 years	7.25% per annum, net of investment expenses

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

	TRSL	LSERS	LASERS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Inflation Rate	2.40% per annum	2.50% per annum	2.30% per annum
Mortality	Active members - RP-2014 White Collar Employee tables, adjusted by 0.965 for males and by 0.942 for females. Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.173 for males and by 1.258 for females. Disability retiree mortality - RP-2014 Disability tables, adjust by 1.043 for males and by 1.092 for females.	Mortality rates were projected based on RP-2014 Healthy Annuitant Mortality Table, RP-2014 Sex Distinct Mortality Table and RP-2014 Sex Distinct Disabled Mortality Table.	Non-disabled members - Mortality rates were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2018 - June 30, 2022) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a four year (July 1, 2013 - June 30, 2017) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.
Salary Increases	2.41% - 4.85% varies depending on duration of service	2018-2022 experience study, 3.75%.	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for regular members is 3.0% - 12.8%.
Cost of Living Adjustments	None	None	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

The following schedule list the methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

TRSL	LSERS	LASERS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.72% for 2023.	The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023.

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2023:

Asset Class	Target Allocation			Long - Term Expected Real Rate of Return		
	LSERS	TRSL	LASERS	LSERS	TRSL	LASERS
Domestic Equity		22.5%			4.55%	4.45%
International Equity		11.5%			5.01%	5.44%
Equity	39%		57%	2.84%		
Private Equity		37.0%			8.24%	
Domestic Fixed Income		8%			2.20%	2.04%
Fixed Income	26%		14%	0.97%		
International Fixed Income		6.0%			-0.29%	5.33%
Alternatives	23%		22%	1.89%		8.19%
Real Estate	12%			0.61%		
Other		15%	7%		4.32%	0.80%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	6.31%	6.32%	5.89%
Inflation				<u>2.40%</u>	<u>2.40%</u>	<u>2.30%</u>
Expected Arithmetic Nominal Return				<u>8.71%</u>	<u>8.72%</u>	<u>8.19%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for LSERS, TRSL, and LASERS remained at 6.80%, 7.25%, and 7.25%, respectively for the year ended June 30, 2023 (measurement date).

(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS (CONTINUED)**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS			
Discount Rates	5.80%	6.80%	7.80%
Shares of Net Pension Liability	\$ 1,381,767	\$ 962,424	\$ 602,932
TRSL			
Discount Rates	6.25%	7.25%	8.25%
Shares of Net Pension Liability	\$ 15,345,444	\$ 10,833,073	\$ 7,036,730
LASERS			
Discount Rates	6.25%	7.25%	8.25%
Shares of Net Pension Liability	\$ 317,192	\$ 242,239	\$ 178,738

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**Plan description**

The School Board provides certain continuing health care and life insurance benefits for its retired employees. The City of Baker 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) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

(Continued)

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits provided

Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), the Louisiana State Employees' Retirement System (LASERS) or the Louisiana School Employees' Retirement System (LSRS). We have assumed a composite retirement (D.R.O.P. entry) eligibility provision are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or age 65 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. Former employees of the East Baton Rouge Parish School Board who were over age 30 in 2003 have been assumed to have been hired at age 30 for purposes of determining retirement (D.R.O.P. entry) eligibility. Complete plan provisions are contained in the official plan documents.

Data used in calculations

Active employee and retiree census data were provided by the administrative staff of the School System. Data for active and retired employees included date of birth, date of hire and/or retirement, medical coverage type (single, employee/child, family, etc.) and the current total portion of the premiums paid by the employer and employee/retiree. The valuation used the "Closed Group" method; i.e., the employees and retirees as of the valuation date were used and employees to be hired in the future were not considered. Employees were assumed to continue the same types of coverage into retirement, except that employee and employee/spouse were substituted for employee/child and family, respectively, after age 65.

Method of determining value of benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays varying percentages of the retiree premium according to a schedule based on service, but the service is only up to ten years, for which 100% is paid by the employer. The rates provided are "blended" rates for active and retired. Since GASB 74/75 requires the use of "unblended" rates, we have used estimated "unblended" rates as follows.

The pre-Medicare employer provided rates were determined by adding 30% to the currently prevailing blended rates. The post-Medicare employer provided rates were determined by subtracting 20% from the currently prevailing blended rates.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions and Basis

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

Inflation	2.50%
Salary increases	4.0%, including inflation
Discount rate	3.65% annually (Beginning of Year to Determine ADC) 3.93% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.50% annually for ten years, 4.50% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2024, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2024.

Actuarial cost method (ARC)

The ARC is determined using the Individual Entry Age Normal Cost Method. Each employee's service costs are calculated as a level percentage of that employee's projected pay. The attribution period extends from the first period for which the employee provides service under the benefit terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), morality, and turnover.

Actuarial value of plan assets

Since the OPEB obligation is not being funded, the actuarial value of assets is zero.

Mortality

Mortality rates were based on the SOA RP-2000 Table without projection with 50%/50% unisex blend. Projected future mortality improvement has not been used since it is our opinion that this table contains a substantial conservative margin for the population involved in this valuation.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Discount rate

This plan is a defined benefit OPEB plan which does not meet the requirements of paragraph 4 of the GASB Statement No. 75. We have therefore used a discount rate of 3.93%, which was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2024, the end of the applicable measurement period and 3.65% as of June 30, 2022, the measurement date at the end of the immediately preceding measurement period.

Post-retirement benefit increases

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Expected time of commencement of benefits

It is assumed that entitlement to benefits will commence for years after the assumed earliest eligibility to retire as described previously in "benefits provided". The four year period covers three years in D.R.O.P. plus one additional year.

Turnover

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

Employees covered by benefit terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>98</u>
Total	<u>126</u>

Total OPEB Liability

The School Board's total OPEB liability of \$9,052,882 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**Changes in the total OPEB liability**

	<u>Amount</u>
Balance at June 30, 2023	\$ 6,654,681
Changes for the year:	
Service cost	367,617
Interest	233,358
Differences between expected and actual experience	2,338,146
Changes in assumption	(391,488)
Benefit payments and net transfers	<u>(149,432)</u>
Net change	<u>2,398,201</u>
Balance at June 30, 2024	<u>\$ 9,052,882</u>
Covered-employee payroll	4,456,618
Net OPEB liability as a percentage of covered-employee payroll	203.13%

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1.0% Decrease (2.93%)	Current Discount Rate (3.93%)	1.0% Increase (4.93%)
Total OPEB liability	\$ 10,982,383	\$ 9,052,882	\$ 7,560,338

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:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 7,730,107	\$ 9,052,882	\$ 10,775,155

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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 \$86,035. 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 experience	\$ 2,473,503	\$ 1,520,650
Changes of assumptions	633,098	1,331,816
Total	<u>\$ 3,106,601</u>	<u>\$ 2,852,466</u>

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

Year	Amount
2025	\$ (118,596)
2026	(118,596)
2027	(324,753)
2028	382,634
2029	346,242
2030 and thereafter	87,204
Total	<u>\$ 254,135</u>

Funding Policy

The School Board recognizes the cost of providing post-employment medical benefits (School Board's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. The other postemployment benefits liability is typically liquidated through the General Fund.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of the changes in general long-term obligations for the year ended June 30, 2024:

	July 1, 2023	Additions	Deductions	June 30, 2024	Amount due in one year
Bonds Payable	\$ 7,925,000	\$ 1,508,370	\$ (305,000)	\$ 9,128,370	\$ 315,000
Compensated Absences	517,369	208,995	(309,504)	416,860	41,686
Claims & Judgements	11,872	-	-	11,872	11,872
	<u>\$ 8,454,241</u>	<u>\$ 1,717,365</u>	<u>\$ (614,504)</u>	<u>\$ 9,557,102</u>	<u>\$ 368,558</u>

The State Bond Commission approved Louisiana Community Development Authority revenue bonds not exceeding \$14,610,000, in one or more series, to provide financing of the demolition, construction, reconstruction, renovation, and improvement of the flood-damaged Baker High School, including all furnishing, fixtures, and facilities incidental or necessary in connection therewith (the Project).

The City of Baker School District Project Series 2022 bonds were issued March 1, 2022 in the amount of \$8,200,000, and mature on March 1, 2042. The Series 2022 bonds shall bear interest from the date thereof, payable on March 1st and September 1st of each year, commencing September 1, 2022, at 3.35% interest.

The City of Baker School District Project Series 2024 bonds were issued in installments during 2024 with total draws of \$1,508,370 during 2024. The Series 2024 bonds will have interest only payments until all draws are complete, at which time the final repayment schedule will be determined. The bonds will bear interest from the date thereof, payable on March 1st and September 1st of each year.

The majority of the long-term liabilities will be liquidated through the General Fund.

In accordance with LSA-R.S. 39:562(L), the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2024, the statutory limit is \$28,570,500.

(Continued)

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Future debt service requirements for the School Board's Series 2022 bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 315,000	\$ 255,270	\$ 570,270
2026	325,000	244,717	569,717
2027	335,000	233,830	568,830
2028	350,000	222,608	572,608
2029	360,000	210,882	570,882
2030 - 2034	1,985,000	865,640	2,850,640
2035 - 2039	2,350,000	509,200	2,859,200
2040 - 2042	1,600,000	108,373	1,708,373
	<u>\$ 7,620,000</u>	<u>\$ 2,650,520</u>	<u>\$ 10,270,520</u>

NOTE 8 - INTERFUND TRANSACTIONS

The primary purpose of interfund advances is to cover expenditures on cost reimbursement grant programs until reimbursements are received from the granting agencies. Interfund balances as of June 30, 2024 are as follows:

Interfund Receivable		Interfund Payable	
General	\$ 2,761,973	General	\$ -
Title I	-	Title I	437,476
ESSER	-	ESSER	1,158,512
School Food Service	-	School Food Service	183,587
Non-Major	-	Non-Major	982,398
	<u>\$ 2,761,973</u>		<u>\$ 2,761,973</u>

The purpose of interfund transfers is to cover operating expenditures of the general fund through indirect cost recoveries charged to grant programs and to transfer general fund surplus to the capital projects fund to be used for capital improvements. Transfers during 2024 were as follows:

Transfers In		Transfers Out	
General	\$ 467,170	General	\$ (4,763,930)
Flood Recovery	4,763,930	Flood Recovery	-
Title I	-	Title I	(22,314)
ESSER	-	ESSER	(444,554)
Non-Major	-	Non-Major	(302)
	<u>\$ 5,231,100</u>		<u>\$ (5,231,100)</u>

NOTE 9 - CONTINGENCIES

The School Board manages its exposure under general liability, fleet, workers' compensation, and errors and omissions through the purchase of commercial insurance. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the last three years.

Litigation

The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position. An accrual of \$11,872 has been made within the statement of net position to cover any potential exposure.

Grant Disallowances

The School Board participates in several state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach as well as audits conducted by the Louisiana, the U.S. Department of Education, and FEMA. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

NOTE 10 - COMMITMENTS

The School Board has a one-year lease remaining for school buses that renew on an annual basis. The pricing for the agreement varies and is adjusted annually based on the type of bus and quantity of buses needed. The lease payments are generally made on a semi-annual basis.

Lease payments made during 2024 totaled approximately \$167,000 for the school bus lease arrangement. The estimated payment amount for fiscal year ending June 30, 2025, is expected to remain consistent with 2024.

NOTE 11 - ON-BEHALF PAYMENTS

The accompanying financial statements include on-behalf payments made by the Parish Tax Collector for \$55,933 to the Teacher's Retirement System of Louisiana for employee retirement benefits.

NOTE 12 - APPROPRIATIONS TO CHARTER SCHOOLS AND OTHER AGENCIES

General Fund appropriations to Charter Schools and other agencies during the year ended June 30, 2024, were as follows:

	<u>Amount</u>
Madison Prep	\$ 87,605
Louisiana Key Academy	97,617
GEO Prep Mid-City	7,509
Impact Charter	1,071,284
Advantage Charter Academy	1,213,955
GEO Prep Academy	65,078
GEO Next Generation High	50,060
Collegiate Academy	120,144
GEO Prep Baker	170,204
Louisiana Virtual Charter Academy	63,075
Office of Juvenile Justice	316
Kenilworth Science and Technology Academy	25,030
University View Academy	<u>126,151</u>
Total	<u>\$ 3,098,028</u>

NOTE 13 - TAX REVENUES ABATED

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2024, there were no City of Baker School Board ad valorem tax revenues abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

NOTE 14 - COMPENSATION OF BOARD MEMBERS

The following represents the compensation paid to individual board members for the year ended June 30, 2024:

	<u>Amount</u>
Joyce Burgess (July 2023 - June 2024)	\$ 10,800
Monique Butler (July 2023 - June 2024)	9,600
Linda Perkins (July 2023 - June 2024)	9,600
Alteen Profit (July 2023 - June 2024)	9,600
Clara Joseph (July 2023 - June 2024)	<u>9,600</u>
	<u>\$ 49,200</u>

NOTE 15 - SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

The schedule of compensation, benefits, and other payments to the Superintendent during the year ended June 30, 2024, is as follows:

James Stroder, Superintendent, July 2023 - June 2024	
<u>Purpose</u>	<u>Amount</u>
Salary	\$ 146,000
Benefits - Medicare	2,117
Benefits - Workers' Comp.	876
Auto Allowance	<u>7,200</u>
Total	<u>\$ 156,193</u>

NOTE 16 - FUND BALANCE DEFICIT

As of June 30, 2024, the School Food Service Fund, Vocational Education Fund, SRCL Fund, and Special Education Funds had deficit fund balances of \$140,550, \$5,442, \$21,889, and \$125,077 respectively. These fund deficits will be reimbursed by a transfer from the General Fund in 2025.

NOTE 17 - SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the School Board closed Baker Heights Elementary and Baker Middle School due to long-term poor academic performance at those respective campuses. The School Board is currently pursuing a type 3 charter contract with Helix Community Schools to operate our remaining schools (Baker High School and Parkridge Academic Achievement Academy) for the 2025-2026 school year. This contract would be in place for 5 years and allow those remaining schools to reset their accountability scores while we work to improve the academic outcome of those schools. Management has evaluated events and transactions for potential recognition or disclosure through May 21, 2025, which was the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources:				
Taxes:				
Ad-valorem	\$ 2,599,804	\$ 2,657,932	\$ 2,663,974	\$ 6,042
Sales and use	4,535,205	4,955,286	4,971,153	15,867
Earnings on investments	15,000	85,962	236,809	150,847
Other	155,500	155,065	86,395	(68,670)
State sources:				
Minimum foundation program	7,343,144	6,618,790	6,598,256	(20,534)
Revenue Sharing	44,500	58,138	43,452	(14,686)
Other restricted revenues	81,290	87,461	375,605	288,144
TOTAL REVENUES	14,774,443	14,618,634	14,975,644	357,010
EXPENDITURES				
Current:				
Instruction:				
Regular education programs	3,939,626	3,740,488	3,615,983	124,505
Special education programs	826,868	1,001,635	922,076	79,559
Vocational Programs	181,413	248,461	185,553	62,908
Other instructional programs	520,005	349,189	355,221	(6,032)
Special programs	101,167	69,216	94,838	(25,622)
Support services:				
Pupil support services	599,370	837,614	756,581	81,033
Instructional staff services	306,265	176,321	175,539	782
General administration services	983,219	934,516	803,351	131,165
School administration services	774,499	834,413	837,675	(3,262)
Business administration services	337,205	222,020	266,543	(44,523)
Plant services	1,977,779	1,901,147	1,946,502	(45,355)
Student transportation services	685,121	791,298	790,300	998
Central services	251,781	149,050	154,938	(5,888)
Food services	-	-	7,979	(7,979)
State appropriation to charter schools	2,699,309	3,098,028	3,098,028	-
Debt service	603,055	603,055	575,735	27,320
Capital outlay	132,651	103,357	311,487	(208,130)
TOTAL EXPENDITURES	14,919,333	15,059,808	14,898,329	161,479
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(144,890)	(441,174)	77,315	518,489
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,239,780)	(4,763,930)	(4,763,930)	-
Transfers in	145,000	447,225	419,168	(28,057)
TOTAL OTHER FINANCING SOURCES (USES)	(4,094,780)	(4,316,705)	(4,344,762)	(28,057)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(4,239,670)	(4,757,879)	(4,267,447)	490,432
FUND BALANCES - beginning of year	8,149,910	9,665,513	9,665,513	-
FUND BALANCES - end of year	<u>\$ 3,910,240</u>	<u>\$ 4,907,634</u>	<u>\$ 5,398,066</u>	<u>\$ 490,432</u>

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
TITLE I FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal grants	\$ 838,570	\$ 1,354,717	\$ 1,155,405	\$ (199,312)
TOTAL REVENUES	<u>838,570</u>	<u>1,354,717</u>	<u>1,155,405</u>	<u>(199,312)</u>
EXPENDITURES				
Current:				
Instruction:				
Other education programs	838,570	1,354,717	942,394	412,323
Support services:				
Instructional staff services	-	-	183,871	(183,871)
Transportation	-	-	6,826	(6,826)
TOTAL EXPENDITURES	<u>838,570</u>	<u>1,354,717</u>	<u>1,133,091</u>	<u>221,626</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	22,314	22,314
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	(22,314)	(22,314)
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-
 FUND BALANCES - beginning of year	-	-	-	-
 FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
SCHOOL FOOD SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local sources:				
Food sales	\$ -	\$ -	\$ 1,386	\$ 1,386
State sources:				
Minimum foundation program			10,267	10,267
Revenue Sharing			17,235	17,235
Federal grants	914,830	914,830	963,240	48,410
TOTAL REVENUES	<u>914,830</u>	<u>914,830</u>	<u>992,128</u>	<u>77,298</u>
EXPENDITURES				
Current:				
Food services	914,830	914,830	933,976	\$ (19,146)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	58,152	58,152
FUND BALANCES - beginning of year	-	-	(172,989)	(172,989)
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,837)</u>	<u>\$ (114,837)</u>

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
ESSER FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal grants	\$ 5,904,900	\$ 5,904,900	4,527,763	\$ (1,377,137)
EXPENDITURES				
Current:				
Instruction:				
Regular education programs	204,870	204,870	143,332	61,538
Special programs	3,678,515	3,678,515	2,573,578	1,104,937
Support services:				
Pupil support services	176,771	176,771	123,673	53,098
Instructional staff services	4,692	4,692	3,284	1,408
School administration services	-	-	(1)	1
Plant services	114,963	114,964	80,431	34,533
Student transportation services	74,168	74,168	51,890	22,278
Food services	18,284	18,284	12,792	5,492
Facility acquisition & construction	1,632,637	1,632,636	1,142,232	490,404
TOTAL EXPENDITURES	5,904,900	5,904,900	4,131,211	1,773,689
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	396,552	396,552
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	(396,552)	(396,552)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCES - beginning of year	-	-	-	-
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -

CITY OF BAKER SCHOOL SYSTEM
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

BUDGETS

General Budget Practices

The School System follows these procedures in establishing the budgetary data reflected in the financial statements.

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

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

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

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the System and as amended by the System.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting

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

CITY OF BAKER SCHOOL SYSTEM

**Schedule of Changes in Net OPEB Liability and Related Ratios for the
For the Year Ended June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 367,617	\$ 317,365	\$ 390,029	\$ 369,195	\$ 301,621	\$ 274,625	\$ 292,310
Interest	233,358	211,709	211,153	193,559	266,256	250,797	233,230
Differences between expected and actual experience	2,338,146	332,485	(2,724,609)	382,446	(282,720)	293,279	(137,905)
Changes of assumptions	(391,488)	(114,135)	(1,519,708)	225,549	1,016,491	445,817	(301,568)
Benefit payments	(149,432)	(146,442)	(157,522)	(149,411)	(151,914)	(123,553)	(117,112)
Net change in total OPEB liability	2,398,201	600,982	(3,800,657)	1,021,338	1,149,734	1,140,965	(31,045)
Total OPEB liability - beginning	6,654,681	6,053,699	9,854,356	8,833,018	7,683,284	6,542,319	6,573,364
Total OPEB liability - ending	\$ 9,052,882	\$ 6,654,681	\$ 6,053,699	\$ 9,854,356	\$ 8,833,018	\$ 7,683,284	\$ 6,542,319
Covered-employee payroll	<u>\$ 4,456,618</u>	<u>\$ 5,206,745</u>	<u>\$ 5,006,485</u>	<u>\$ 5,201,457</u>	<u>\$ 5,001,401</u>	<u>\$ 5,548,064</u>	<u>\$ 5,334,677</u>
Net OPEB liability as a percentage of covered-employee payroll	203.13%	127.81%	120.92%	189.45%	176.61%	138.49%	122.64%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended June 30, 2024.

Changes of Assumptions. In 2019, the discount rate used decreased from 3.87% to 3.50%.

In 2020, the discount rate used decreased from 3.50% to 2.21%.

In 2021, the discount rate used decreased from 2.21% to 2.16%.

In 2022, the discount rate used increased from 2.16% to 3.54%.

In 2023, the discount rate used increased from 3.54% to 3.65%.

In 2024, the discount rate used increased from 3.65% to 3.93%.

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

There are no assets accumulated in a trust.

**CITY OF BAKER SCHOOL SYSTEM
BAKER, LOUISIANA**

**SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM
COST SHARING PLANS ONLY**

FOR THE YEAR ENDED JUNE 30, 2024

Pension Plan	Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
Teachers Retirement System of Louisiana						
	2024	1,776,384	1,776,384	-	6,514,782	27.2670%
	2023	1,869,369	1,869,369	-	6,918,325	27.0205%
	2022	1,987,687	1,987,687	-	7,462,338	26.6362%
	2021	1,675,418	1,675,418	-	6,224,447	26.9167%
	2020	1,867,875	1,867,875	-	6,829,211	27.3513%
	2019	2,083,769	2,083,769	-	7,834,408	26.5977%
	2018	2,008,020	2,008,020	-	7,592,328	26.4480%
	2017	2,142,700	2,142,700	-	8,402,745	25.5000%
	2016	1,914,774	1,914,774	-	7,277,202	26.3120%
	2015	2,842,607	2,842,607	-	10,152,168	28.0000%
Louisiana School Employees Retirement System						
	2024	176,911	176,911	-	640,982	27.6000%
	2023	165,280	165,280	-	575,889	28.7000%
	2022	187,882	187,882	-	597,619	31.4384%
	2021	107,815	107,815	-	366,739	29.3983%
	2020	127,426	127,426	-	433,397	29.4017%
	2019	121,329	121,329	-	431,926	28.0902%
	2018	124,387	124,387	-	451,016	27.5793%
	2017	105,920	105,920	-	387,985	27.3000%
	2016	135,773	135,773	-	449,581	30.1999%
	2015	218,864	218,864	-	657,982	33.2629%
Louisiana State Employees Retirement System						
	2024	26,239	26,239	-	63,533	41.3000%
	2023	44,158	44,158	-	111,792	39.5000%
	2022	42,223	42,223	-	106,934	39.4851%
	2021	20,714	20,714	-	51,656	40.0999%
	2020	20,731	20,731	-	50,937	40.6993%
	2019	17,014	17,014	-	42,164	40.3520%
	2018	34,641	34,641	-	91,400	37.9004%

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

**CITY OF BAKER SCHOOL SYSTEM
BAKER, LOUISIANA**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST SHARING PLANS ONLY**

FOR THE YEAR ENDED JUNE 30, 2024

Pension Plan:	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered 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
Teachers Retirement System of Louisiana						
	2024	0.1198%	10,833,073	6,918,325	156.5852%	74.30%
	2023	0.1373%	13,107,647	7,462,338	175.6507%	72.40%
	2022	0.1189%	6,349,775	6,224,447	102.0135%	83.90%
	2021	0.1371%	15,245,854	6,829,211	223.2447%	65.60%
	2020	0.1527%	15,152,360	7,834,408	193.4078%	68.60%
	2019	0.1530%	15,032,644	7,592,328	197.9978%	68.20%
	2018	0.1443%	14,794,689	8,402,745	176.0697%	65.60%
	2017	0.1309%	15,361,134	7,277,202	211.0857%	59.90%
	2016	0.1756%	18,878,956	10,152,168	185.9598%	62.50%
	2015	0.1939%	19,814,863	9,617,165	206.0364%	63.70%
Louisiana School Employees Retirement System						
	2024	0.1591%	962,424	575,889	167.1197%	78.48%
	2023	0.1900%	1,263,774	597,619	211.4682%	76.31%
	2022	0.1219%	579,563	366,739	158.0315%	82.51%
	2021	0.1464%	1,176,373	433,397	271.4308%	69.67%
	2020	0.1473%	1,031,534	431,926	238.8219%	73.49%
	2019	0.1620%	1,082,329	451,016	239.9757%	74.44%
	2018	0.1377%	881,218	387,985	227.1268%	75.03%
	2017	0.1596%	1,203,697	449,581	267.7375%	70.09%
	2016	0.2368%	1,501,689	657,982	228.2265%	74.49%
	2015	0.2152%	1,247,389	596,600	209.0830%	76.18%
Louisiana State Employees Retirement System						
	2024	0.0036%	242,239	111,792	216.6865%	68.40%
	2023	0.0053%	397,340	106,934	371.5750%	63.70%
	2022	0.0026%	140,131	51,656	271.2773%	72.78%
	2021	0.0025%	203,707	50,937	399.9195%	58.00%
	2020	0.0026%	188,802	42,164	447.7801%	62.90%
	2019	0.0052%	351,363	91,400	384.4234%	64.30%
	2018	0.0064%	449,640	119,098	377.5378%	62.50%

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

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

CITY OF BAKER SCHOOL SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

Change of Benefit Terms Include:

Teachers Retirement System of Louisiana

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

Louisiana School Employees Retirement System

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

Louisiana State Employees Retirement System

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

Change of Assumptions

Teachers Retirement System of Louisiana

- In 2024, (valuation date June 30, 2023), the inflation rate used to measure total pension changed from 2.30% to 2.40%.
- In 2023, (valuation date June 30, 2022), the discount rate used to measure total pension liability changed from 7.40% to 7.25%.
- In 2022, (valuation date June 30, 2021), the discount rate used to measure total pension liability changed from 7.45% to 7.40%.
- In 2021, (valuation date June 30, 2020), the discount rate used to measure total pension liability changed from 7.55% to 7.45%.
- In 2020, (valuation date June 30, 2019), the discount rate used to measure total pension liability changed from 7.65% to 7.55%.
- In 2019 (valuation date June 30, 2018), the discount rate used to measure total pension liability changed from 7.70% to 7.65%.
- In 2018 (valuation date June 30, 2017), the discount rate used to measure total pension liability changed from 7.75% to 7.70%

Louisiana School Employees Retirement System

- There were no changes of assumptions in 2024 (valuation date June 30, 2023).
- In 2023 (valuation date June 30, 2022), the following changes of assumptions were incorporated:

- The discount rate used to measure total pension liability decreased from 6.90% to 6.80%,
- In 2022 (valuation date June 30, 2021), the following changes of assumptions were incorporated:
 - The discount rate used to measure total pension liability decreased from 7.00% to 6.90%,
- In 2020 (valuation date June 30, 2019), the following changes of assumptions were incorporated:
 - The discount rate used to measure total pension liability decreased from 7.0625% to 7.00%,
- In 2019 (valuation date June 30, 2018), the following changes of assumptions were incorporated:
 - The discount rate used to measure total pension liability decreased from 7.125% to 7.0625%,
 - The inflation rate decreased from 2.625% to 2.50%,
 - The mortality assumption was updated to reflect the results of the new experience study and was based on the RP-2014 Healthy Annuitant, Sex Distinct Employee, and Sex Distinct Disabled Lives mortality tables with generational projections using the full generational scale MP2017. The previous valuation set mortality from the RP-2000 Combined Healthy Sex Distinct and Disabled Lives mortality tables with no projection scale.
 - The salary increase assumption was updated to 3.25% to reflect the results of the new experience study and change to the inflation rate. The previous valuation included a range of 3.075% to 5.375%.

Louisiana State Employees Retirement System

- In 2024 (valuation date June 30, 2023), the discount rate used to measure total pension liability changed from 7.40% to 7.25%.
- In 2022 (valuation date June 30, 2021), the discount rate used to measure total pension liability changed from 7.55% to 7.40%.
- In 2021 (valuation date June 30, 2020), the discount rate used to measure total pension liability changed from 7.60% to 7.55% and the inflation rate decreased from 2.5% to 2.3% per annum.
- In 2020 (valuation date June 30, 2019), the discount rate used to measure total pension liability changed from 7.65% to 7.60%.
 - In 2020 (valuation date June 30, 2019), the inflation rate decreased from 2.75% to 2.5% per annum.
 - The salary increase assumption was updated to use the range 3.2% - 13.0% to reflect the results of the new experience study. The previous valuation included a range of 3.8% to 12.8%.
- In 2019 (valuation date June 30, 2018), the discount rate used to measure total pension liability changed from 7.70% to 7.65%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BAKER SCHOOL SYSTEM
NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

Vocational Education – This fund accounts for a federal grant, the goal of which is to provide salaries, supplies, and equipment to be used in vocational education programs.

Title II – This fund accounts for the federal grants which combine the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training and recruiting high quality teachers.

State Grants – This fund is used to account for special non-federal grants received from various departments of the State of Louisiana.

Special Education – This fund accounts for amounts received under The Individuals with Disabilities Education Act (IDEA), which is a federally financed program providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

Temporary Assistance for Needy Families (TANF) – This fund is for a pre-GED/Skills Option Program which is a counseling and guidance program with components for pre-GED academic, workplace readiness and skills instructions for students who are at risk of dropping out of high school.

Direct Student Services – This fund is for grant allotments to support the School System's students in gaining access to academic courses, credentials, and services that are not otherwise available within the schools.

School Redesign – This fund accounts for amounts received under the School Redesign grants which are intended to support school systems as they build and execute plans focused on core academics, special populations, and talent, in an effort to improve struggling schools.

SRCL – This is a grant fund aimed at improving the reading and writing skills of students. The funds support the school systems in their literacy efforts to benefit children from birth through twelfth grade.

Student Activity Funds – This is a fund which accounts for the various student activities of the schools within the district such as athletics, clubs, and other student organizations.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	Vocational Education	Title II	State Grants	TANF	Direct Student Services	School Redesign	SRCL	Special Education	Student Activity Funds	Total
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 23,832	\$ 342,590	\$ -	\$ -	\$ -	\$ -	\$ 84,523	\$ 450,945
Receivables:										
Due from other governments	8,337	66,223	10,616	-	-	92,064	-	669,645	-	846,885
Prepaid expenses	415	-	-	-	-	-	-	-	-	415
TOTAL ASSETS	<u>\$ 8,752</u>	<u>\$ 66,223</u>	<u>\$ 34,448</u>	<u>\$ 342,590</u>	<u>\$ -</u>	<u>\$ 92,064</u>	<u>\$ -</u>	<u>\$ 669,645</u>	<u>\$ 84,523</u>	<u>\$ 1,298,245</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,416	\$ -	\$ 1,416
Due to other funds	14,194	60,945	-	-	-	92,064	21,889	793,306	-	982,398
TOTAL LIABILITIES	<u>14,194</u>	<u>60,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,064</u>	<u>21,889</u>	<u>794,722</u>	<u>-</u>	<u>983,814</u>
Fund balances:										
Nonspendable related to prepaid expenses	415	-	-	-	-	-	-	-	-	415
Restricted	-	5,278	34,448	342,590	-	-	-	-	84,523	466,839
Unassigned	(5,857)	-	-	-	-	-	(21,889)	(125,077)	-	(152,823)
TOTAL FUND BALANCES	<u>(5,442)</u>	<u>5,278</u>	<u>34,448</u>	<u>342,590</u>	<u>-</u>	<u>-</u>	<u>(21,889)</u>	<u>(125,077)</u>	<u>84,523</u>	<u>314,431</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,752</u>	<u>\$ 66,223</u>	<u>\$ 34,448</u>	<u>\$ 342,590</u>	<u>\$ -</u>	<u>\$ 92,064</u>	<u>\$ -</u>	<u>\$ 669,645</u>	<u>\$ 84,523</u>	<u>\$ 1,298,245</u>

The accompanying notes are an integral part of this statement.

CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2024

	Vocational Education	Title II	State Grants	TANF	Direct Student Services	School Redesign	SRCL	Special Education	Student Activity Funds	Total
REVENUES										
Local sources:										
Other	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ 176,358	\$ 176,358
State sources:										
Restricted grants-in-aid	-	-	53,145	174,096	-	-	-	-	-	227,241
Federal grants	12,847	82,011	-	-	27,226	180,323	-	779,661	-	1,082,068
TOTAL REVENUES	12,847	82,011	53,145	174,096	27,226	180,323	-	779,661	176,358	1,485,667
EXPENDITURES										
Current:										
Instruction:										
Special education programs	-	-	-	-	-	-	-	124,892	-	124,892
Other education programs	7,586	78,077	53,145	128,180	26,924	180,323	-	63,151	185,785	723,171
Support:										
Instructional staff services	-	(92)	-	-	-	-	-	242,494	-	242,402
Plant operation and maintenance	-	-	-	-	-	-	-	34,500	-	34,500
Transportation	5,261	-	-	-	-	-	-	-	-	5,261
Facility construction and capital outlay								416,658		416,658
TOTAL EXPENDITURES	12,847	77,985	53,145	128,180	26,924	180,323	-	881,695	185,785	1,546,884
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	4,026	-	45,916	302	-	-	(102,034)	(9,427)	(61,217)
OTHER FINANCING SOURCES (USES)										
Transfers out	-	-	-	-	(302)	-	-	-		(302)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	4,026	-	45,916	-	-	-	(102,034)	(9,427)	(61,519)
FUND BALANCES - beginning of year	(5,442)	1,252	34,448	296,674	-	-	(21,889)	(23,043)	93,950	375,950
FUND BALANCES - end of year	<u>\$ (5,442)</u>	<u>\$ 5,278</u>	<u>\$ 34,448</u>	<u>\$ 342,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,889)</u>	<u>\$ (125,077)</u>	<u>\$ 84,523</u>	<u>\$ 314,431</u>

The accompanying notes are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA
LCDBG PROGRAM*
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024**

REVENUES

LCDBG Program	<u>\$ 152,394</u>	**
---------------	-------------------	----

EXPENDITURES

Construction services	<u>-</u>	***
-----------------------	----------	-----

EXCESS OF REVENUES OVER
(UNDER) EXPENDITURES

<u><u>\$ 152,394</u></u>

* The activity from the LCDBG Program is reported in the Capital Project Flood Recovery fund.

** Revenues are reported as federal grants in the Capital Project Flood Recovery fund.
In 2024, revenues relate to reimbursements received in excess of amounts deemed to be receivable in prior years.

*** Expenses were previously reported as facility construction and capital outlay in the Capital Project Flood Recovery Fund.
As noted above, revenues received in 2024 relate to expenditures recorded in previous years.

KOLDER, SLAVEN & COMPANY, LLC

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

To James Stroder Superintendent,
and the Members of the City of Baker School Board
Baker, 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 City of Baker School Board, (the School Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated May 21, 2025.

Report on Internal Control over Financial Reporting

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

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 and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-002.

City of Baker School Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned cost. The School Board's response was not subject 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 21, 2025

KOLDER, SLAVEN & COMPANY, LLC

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

To James Stroder Superintendent,
and the Members of the City of Baker School Board
Baker, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005 to be significant deficiencies.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 21, 2025

**CITY OF BAKER SCHOOL BOARD
BAKER, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program Name	Grantor Project Number	Assistance Listing Number	Expenditures 2024
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Pass-through program from Louisiana Department of Agriculture and Forestry:			
Food Distribution - Commodities		10.555	\$ 73,064
Pass-through program from Louisiana Department of Education:			
School Lunch Program		10.555	849,762
Summer Feeding		10.559	40,414
Total Department of Agriculture and Forestry			963,240
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Passed through Louisiana Department of Education:			
High Cost Services Rnd 1 IDEA	28-18-RH-68	84.027A	27,335
IDEA Special Education Regular Project	28-18-B1-68	84.027A	237,314
Subtotal CFDA No. 84.027A			264,649
Direct Student Services	28-19-DS-68	84.010A	27,226
Title I Regular Project	28-18-T1-68	84.010A	1,032,961
School Redesign Planning	28-16-RD1	84.010A	180,324
Subtotal CFDA No. 84.010A			1,240,511
IDEA Special Education Preschool Project	28-13-P1-68	84.173A	704
Vocational Education - Carl Perkins	28-18-02-68	84.048A	12,847
Comprehensive Literacy State Development Program Grant (CLSD)		84.371C	122,444
Title II Regular Project	28-18-50-68	84.367A	82,011
Title IV Student Support & Academic Enrichment	28-18-71-68	84.424A	63,150
Title IV Stronger Connections Grant (SCG)		84.424F	451,158
Subtotal CFDA No. 84.424			514,308
Elementary & Secondary School Emergency Relief Fund (ESSER) - COVID-19	28-20-ESRF-19	84.425D	248,954
Elementary & Secondary School Emergency Relief Fund (ESSER) - COVID-19	28-20-ESRF-19	84.425U	4,326,731
Subtotal CFDA No. 84.425			4,575,685
Total Department of Education			6,813,159
 Total Expenditures of Federal Awards			 \$ 7,776,399
 Child Nutrition Cluster	\$		963,240
Special Education Cluster	\$		265,353

See the accompanying notes to the schedule of expenditures of federal awards.

CITY OF BAKER SCHOOL SYSTEM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Baker School System and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE B - NON-MONETARY ASSISTANCE

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the School System had food commodities totaling \$5,171 in inventory. Commodities received, which are non-cash revenues, are valued using pricing provided by the United States Department of Agriculture.

NOTE C - DE MINIMUS COST RATE

During the year ended June 30, 2024, the City of Baker School System did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

NOTE D - AMOUNTS PASSED THROUGH TO SUB-RECIPIENTS

During the year ended June 30, 2024, the City of Baker School System did not pass through any federal funding to sub-recipients.

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None reported

Noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u> No
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> X </u> Yes	<u> </u> None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u> X </u> Yes	<u> </u> No
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Major programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

84.425

Education Stabilization Fund – COVID 19

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

Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

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

A. Internal Control Findings –

2024-001 Financial Records/Reconciliations

Criteria: Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The School Board's internal controls over financial records include those policies and procedures that pertain to the School Board's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

Condition: Several of the School Board's funds were not timely monitored for overspending and/or submission of reimbursement requests and corrections were not made until the annual year-end financial statement closeout process. Additionally, some bank statements were not accurately prepared or reviewed in a timely manner resulting in missing and or miss posted transactions. These delays resulted in significant research requirements to ensure that all transactions were reported in the proper funds, accounts and periods.

Cause: Limited staffing and experience did not permit the School Board to adequately review financial records.

Effect: Unrecorded, mis-posted, or late transactions increased the risk that individual fund balances and the financial statements were materially misstated and that expenditures exceeded legally adopted budgets or grant award limits without the Board's awareness. Delayed preparation of reimbursement requests postponed grant drawdowns, constraining cash flow and exposing the School Board to potential disallowed costs, interest, or other penalties. Management was therefore required to conduct extensive research and post numerous year-end correcting entries, diverting staff from other duties and delaying completion of the annual audit and issuance of the financial statements. As a result, the Board may not have had timely, reliable financial information during the year to monitor spending, take corrective action, and fulfill its stewardship responsibilities.

Recommendation: The School System should consider implementing additional controls and dedicate appropriate staffing resources to business operations to permit timely and accurate financial recordings and reconciliations.

View of Responsible Officials: *The School System is in the process of hiring adequate staff and professional services options in business operations that will permit the ability for*

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

staff to timely analyze, record, and reconcile financial transactions in a timely matter; therefore, allowing timely closeout and submission of the audit report.

B. Compliance Findings –

2024-002 Late Report Issuance

Criteria: R.S. 24:513 requires that audits be completed within six months of the close of the School Board's fiscal year.

Condition: The School Board failed to submit its annual financial report to the Legislative Auditor's Office by the statutory deadline.

Cause: The overall condition of the School Board's financial records prohibited the School Board's CPA consultant from providing timely and accurate information to the School Board's auditors.

Effect: The School Board is not in compliance with R.S. 24:513.

Recommendation: The School Board should take the necessary steps to ensure that all financial records are accurate and made available to the School Board's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

Views of Responsible Officials: The School System is in the process of hiring adequate staffing resources and is working with a CPA to assist with reconciling and closing financial records timely to ensure that all financial records are accurate and available for auditors. Additionally, the CPA and staff will work diligently with the auditor to allow completion and submission of the audit report by the required deadline.

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

2024-003 Late Report Issuance

Fiscal Year Finding Initially Occurred 2024

Criteria: OMB Uniform Guidance requires that audits be submitted within nine months of the close of the School Board's fiscal year.

Condition: The School Board failed to submit its annual financial report to the Federal Audit Clearinghouse by the statutory deadline.

Cause: The overall condition of the School Board's financial records prohibited the School Board's CPA consultant from providing timely and accurate information to the School Board's auditors.

Effect: The School Board is not in compliance with Uniform Guidance.

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

Recommendation: The School Board should take the necessary steps to ensure that all financial records are accurate and made available to the School Board's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

Views of Responsible Officials: The School System is in the process of hiring adequate staffing resources and is working with a CPA to assist with reconciling and closing financial records timely to ensure that all financial records are accurate and available for auditors. Additionally, the CPA and staff will work diligently with the auditor to allow completion and submission of the audit report by the required deadline.

2024-004 Education Stabilization Fund – COVID 19 – Assistance Listing No. 84.425

Compliance Requirement: Special Tests & Provisions – Davis-Bacon Act

Type of Finding: Significant Deficiency in Internal Control Over Compliance

Fiscal Year Finding Initially Occurred 2024

Criteria: For construction contracts financed in whole or in part with federal funds exceeding \$2,000, the Davis-Bacon Act requires the grantee to: (1) Obtain weekly certified payrolls from each contractor and subcontractor. (2) Review those payrolls to verify that employees are paid at least the prevailing wage and fringe benefits for the corresponding labor classifications.

Condition: During our testing, it was determined that the payrolls were not monitored timely to ensure that employees were paid the prevailing wage rate.

Cause: The School Board's grant administration team lacks formally documented procedures and training related to Davis-Bacon compliance.

Effect: Lack of timely monitoring of the payrolls could result in underpayment of wages due during the contract period to the contractor and not qualifying for reimbursement from the grantor.

Recommendation: The School Board should take the necessary steps to ensure that staff are appropriately trained and contractor payrolls are monitored timely.

Views of Responsible Officials: The School System's grant administration team will complete the necessary training related to Davis-Bacon to ensure that contractors are in compliance with the Davis Bacon Act.

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2024

2024-005 Education Stabilization Fund – COVID 19 – Assistance Listing No. 84.425

Compliance Requirement: Allowable Costs/Activities Allowed

Type of Finding: Significant Deficiency in Internal Control Over Compliance

Fiscal Year Finding Initially Occurred 2024

Criteria: Uniform Guidance requires recipients to establish and maintain effective internal control over Federal awards and to support payroll costs charged to grants with “records that accurately reflect the work performed”. The School Board’s procedures require review of each time sheet for reasonableness, grant allowability, and proper allocation prior to posting to the general ledger, and document the review by signing or initialing and dating the time sheet.

Condition: During our testing, it was determined that one timesheet was reviewed but was not signed and dated in accordance with the School Board policy.

Cause: The School Board’s staff reviewed the timesheet making corrections and oversight resulted in the missing signature.

Effect: Lack of proper review increases the risk that unallowable or inaccurately allocated labor costs could remain undetected and charged to the Federal award.

Recommendation: The School Board should take steps to ensure that all required approvals are properly documented on official forms.

Views of Responsible Officials: *The School System has implemented necessary controls to ensure that all documents and official forms for payroll contain the necessary approvals prior to processing timesheets for payment.*



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CITY OF BAKER SCHOOL SYSTEM

www.bakerschools.org

James T. Stroder, Superintendent

Board Members

City of Baker School Board respectfully submits the following corrective action plan for the year ended June 30, 2024.

Linda Perkins
District 1

Audit conducted by:
Kolder, Slaven & Company, LLC
200 S. Main Street
Abbeville, LA 70510

Alteen Profit
District 2

Audit Period: Fiscal year ended June 30, 2024

Joyce Burges
Vice-President
District 3

The findings from the June 30, 2024 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Monique Butler
President
District 4

2024-001 Financial Records/Reconciliations

Recommendation: The School System should consider implementing additional controls and dedicate appropriate staffing resources to business operations to permit timely and accurate financial recordings and reconciliations.

Clara Joseph
District 5

Corrective Action Plan:

The School System is in the process of hiring adequate staff and professional services options in business operations that will permit the ability for staff to timely analyze, record, and reconcile financial transactions in a timely matter; therefore, allowing timely closeout and submission of the audit report.

Anticipated Completion Date: June 3, 2025

2024-002 Late Report Issuance

RECOMMENDATION: The School Board should take the necessary steps to ensure that all financial records are accurate and made available to the School Board's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

Corrective Action Plan:

The School System is in the process of hiring adequate staffing resources and is working with a CPA to assist with reconciling and closing financial records timely to ensure that all financial records are accurate and available for auditors. Additionally, the CPA and staff will work diligently with the auditor to allow completion and submission of the audit report by the required deadline.

Anticipated Completion Date: June 3, 2025

2024-003 Late Issuance of Uniform Guidance Report

RECOMMENDATION: The School Board should take the necessary steps to ensure that all financial records are accurate and made available to the School Board's auditors well in advance of the statutory deadline to allow for timely completion of the audit.

Corrective Action Plan:

The School System is in the process of hiring adequate staffing resources to assist with financial operations to ensure that financial transactions are recorded and reconciled timely which will allow timely closing of financial books. The School System is also working with a CPA to assist with reconciling and closing financial books and will work diligently with the auditor to allow completion and submission of the audit report by the required deadline.

Anticipated Completion Date: June 3, 2025

2024-004 Education Stabilization Fund – COVID 19 – Assistance Listing No. 84.425, Special Tests & Provisions – Davis-Bacon Act

RECOMMENDATION: The School Board should take the necessary steps to ensure that staff are appropriately trained and contractor payrolls are monitored timely.

Corrective Action Plan:

The School System's grant administration team will complete the necessary training related to Davis-Bacon to ensure that contractors are in compliance with the Davis Bacon Act.

Anticipated Completion Date: June 30, 2025

2024-005 Education Stabilization Fund – COVID 19 – Assistance Listing No. 84.425, Allowable Costs/Activities Allowed

RECOMMENDATION: The School Board should take steps to ensure that all required approvals are properly documented on official forms.

Corrective Action Plan:

The School System has implemented necessary controls to ensure that all documents and official forms for payroll contain the necessary approvals prior to processing timesheets for payment.

Anticipated Completion Date: Immediately and Ongoing.

If there are questions regarding the plan, please call Sidney Stewart, Business Manager, at 225-774-5795.

Sincerely,

Sidney Stewart

Sidney Stewart
Business Manager

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

KOLDER, SLAVEN & COMPANY, LLC

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the City of Baker 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 City of Baker School Board (School Board) for the fiscal year ended June 30, 2024; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board is responsible for its performance and statistical data.

The School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education, and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purpose. This report may not be suitable for any other purposes. 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 six 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 were twenty-nine exceptions noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

There were twenty-three exceptions noted.

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

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

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School Board, as required by Louisiana Revised Statute 24:514.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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 21, 2025

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

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

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

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

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

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana
Schedule 1

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2024

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 2,650,973	
Other instructional staff salaries	495,178	
Instructional staff employee benefits	1,432,157	
Purchased professional and technical services	328,742	
Instructional materials and supplies	76,853	
Instructional equipment	-	

Total teacher and student interaction activities		\$ 4,983,903
--	--	--------------

Other instructional activities:		106,318
---------------------------------	--	---------

Pupil support activities	756,583	
Less: Equipment for pupil support activities	-	
Net pupil support activities		756,583

Instructional staff services	175,539	
Less: Equipment for instructional staff services	-	
Net instructional staff services		175,539

School Administration	837,672	
Less: Equipment for school administration	-	
Net school administration		837,672

Total general fund instructional expenditures		\$ 6,860,015
---	--	--------------

Total general fund equipment expenditures (Object 730; Function series 1000-4000)		\$ -
---	--	------

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 300,634
Renewable ad valorem tax	2,296,836
Debt service ad valorem tax	-
Up to 1% of collections by the Sheriff on taxes other than school taxes	55,933
Sales and use taxes	4,958,079
Total local taxation revenue	\$ 7,611,482

Local earnings on investment in real property:

Earnings from 16th section property	\$ -
Earnings from other real property	-
Total local earnings on investment in real property	\$ -

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 43,452
Revenue sharing - other taxes	-
Revenue sharing - excess portion	-
Other revenue in lieu of taxes	-
Total state revenue in lieu of taxes	\$ 43,452

Nonpublic textbook revenue		\$ -
----------------------------	--	------

Nonpublic transportation revenue		\$ -
----------------------------------	--	------

CITY OF BAKER SCHOOL BOARD
Baker, Louisiana
Schedule 2

Class Size Characteristics
As of October 1, 2023

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	44.5%	61	45.3%	62	4.4%	6	5.8%	8
Elementary Activity Classes	42.1%	8	42.1%	8	5.3%	1	10.5%	2
Middle/Jr. High	39.3%	24	47.5%	29	13.1%	8	0.0%	-
Middle/Jr. High Activity Classes	37.5%	3	50.0%	4	12.5%	1	0.0%	-
High	51.7%	75	22.1%	32	24.1%	35	2.1%	3
High Activity Classes	72.2%	13	0.0%	-	5.6%	1	22.2%	4
Combination	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	0.0%	-	0.0%	-	0.0%	-	0.0%	-

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 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.

City of Baker School Board

Baker, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2023 through June 30, 2024

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
City of Baker 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-Up-on Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. City of Baker School Board's (The School Board) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***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.

Board or Finance Committee

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

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]
10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement, 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
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Contracts

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

Payroll and Personnel

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe that 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.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

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

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the Parish in which the entity is domiciled.
26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
 - a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under 'Payroll and Personnel' above, 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.
31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exceptions:

Written Policies and Procedures

The School Board does not have written policies and procedures requiring that documentation is maintained to demonstrate that all employees and officials were notified of any changes in the entity's ethics policy.

Board of Finance Committee

No exceptions noted.

Bank Reconciliations

Two of the reconciliations tested did not include evidence that they were prepared within 2 months of the statement closing date.

Collections (excluding electronic funds transfers)

For two transaction tested, the deposit was made more than 1 business day after collection.

For five transactions tested, we were unable to determine the collection date and therefore could not determine if the deposit was made within 1 business day of collection.

For four of the locations tested, management was unable to provide documentation of segregation of duties.

For two transactions tested receipts were not sequentially pre-numbered.

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

At four locations tested, the employee responsible for processing payments is not prohibited from adding/modifying vendor files.

For two transactions tested, management was unable to provide documentation that included evidence of segregation of duties.

For five transactions tested, management was unable to provide adequate supporting documents.

For 4 EFT tested, management was unable to provide documentation of proper approvals.

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

For one transaction tested, an original receipt could not be provided.

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

For one transaction tested, the amount per diem reimbursed was more than the permitted rate.

For one transaction tested, the reimbursement was not approved by someone other than the person receiving the reimbursements.

Contracts

For one contract tested, management was unable to provide an invoice paid under the contract.

Payroll and Personnel

No exceptions noted.

Ethics

No exceptions noted.

Debt Service

No exceptions noted.

Fraud Notice

No exceptions noted.

Information Technology Disaster Recovery/Business Continuity:

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

Prevention of Sexual Harassment

No exceptions noted.

Management's Response:

The School Board concurs with the exceptions and is working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
May 21, 2025