

**NATCHITOCHEs PARISH SCHOOL BOARD
ANNUAL FINANCIAL REPORT**

JUNE 30, 2023

NATCHITOCHE PARISH SCHOOL BOARD
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

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ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

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Natchitoches Parish School Board

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GRANT ELOI
Superintendent

BILLY BENEFIELD JR.
President

RUSSELL DANZY
Vice-President

Management's Discussion and Analysis

This section of the Natchitoches Parish School Board's annual financial report offers readers a narrative overview and analysis of the financial performance of the School Board for the fiscal year ended on June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the School Board's financial statements, which immediately follow this section.

Financial Highlights

- The liabilities of the Natchitoches Parish School Board exceeded its assets at the close of the most recent fiscal year by \$106,630,059 (net position deficit).
- As of the close of the current fiscal year, the Natchitoches Parish School Board's governmental funds reported combined ending fund balances of \$16,292,871.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,180,978 or 14% of the total general fund expenditures.
- The School Board's bonds payable totaled \$24,340,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. The School Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) financial statements of individual funds, and 3) notes to the financial statements.

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 a private-sector business.

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

The Statement of Activities presents information showing how the School Board's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, compensated absences).

NATCHITOCHE PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2023

The governmental activities of the School Board include education and interest on long-term debt. The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 are governmental funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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 financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of government's near-term financing decisions. Both the governmental funds balance sheet and the governmental statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other funds are combined into a single, aggregated presentation. The different fund types are aggregated and are provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 14 through 18.

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. The notes to the financial statements can be found on pages 20 through 42.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the Natchitoches Parish School Board, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$(106,630,059) as of June 30, 2023, which is an increase from June 30, 2022. Unrestricted net position is \$(123,369,705) and net investment in capital assets is \$16,739,646.

NATCHITOCHE PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2023

	<u>Net Position</u>	
	<u>2023</u>	<u>2022</u>
Assets:		
Cash & Other Assets	\$ 43,628,944	\$ 40,870,780
Noncurrent Assets	<u>41,079,646</u>	<u>36,025,610</u>
Total Assets	<u>\$ 84,708,590</u>	<u>\$ 76,896,390</u>
Deferred Outflows of Resources	<u>\$ 44,088,796</u>	<u>\$ 19,206,352</u>
Liabilities:		
Current and Other Liabilities	\$ 28,591,073	\$ 21,015,867
Long-term Liabilities	<u>189,680,564</u>	<u>136,540,101</u>
Total Liabilities	<u>\$ 218,271,637</u>	<u>\$ 157,555,968</u>
Deferred Inflows of Resources	<u>\$ 17,155,808</u>	<u>\$ 55,210,408</u>
Net Position:		
Net Investment in Capital Assets	\$ 16,739,646	\$ 9,885,610
Unrestricted	<u>(123,369,705)</u>	<u>(126,549,244)</u>
Total Net Position	<u>\$(106,630,059)</u>	<u>\$(116,663,634)</u>
	<u>Changes in Net Position</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Charges for Services	\$ 3,844,682	\$ 3,858,151
Operating Grants & Contributions	22,949,561	19,325,841
Capital Grants & Contributions	187,469	0
General Revenue	<u>65,632,390</u>	<u>63,703,495</u>
Total Revenues	<u>\$92,614,102</u>	<u>\$86,887,487</u>
Expenses:		
Instruction	\$44,849,103	\$24,658,778
Support Services	32,120,547	29,419,190
School Food Services	4,583,966	3,847,816
Interest	<u>1,026,912</u>	<u>1,092,005</u>
Total Expenses	<u>\$82,580,528</u>	<u>\$59,017,789</u>
Change in Net Position	<u>\$10,033,574</u>	<u>\$27,869,698</u>

NATCHITOCHEES PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2023

Financial Analysis of the Government's Funds

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

General Fund Budgetary Highlights - During the year, the School Board made revisions to the original appropriations approved by the School Board Council.

Capital Assets

The Natchitoches Parish School Board' investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$41,079,646 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Improvements made to the buildings and land.

Capital Assets at Year-end Net of Accumulated Depreciation As of June 30, 2023

	Governmental <u>Activities</u>
Capital Assets, not depreciated:	
Land	\$ 1,300,290
Construction in Progress	12,640,501
Capital Assets, depreciated:	
Buildings and Improvements	25,717,415
Furniture and Equipment	<u>1,421,440</u>
Total	<u>\$41,079,646</u>

Additional information on the Natchitoches Parish School Board' capital assets can be found on page 28 of this report.

Debt Administration

At the end of the current fiscal year, the Natchitoches Parish School Board had total long term debt of \$190,935,564. Long-term debt of the School Board includes net pension liability and other post-employment benefits based on actuarially determined amounts in accordance with GASB No. 68 and GASB No. 75.

NATCHITOCHEES PARISH SCHOOL BOARD, LOUISIANA

Management's Discussion and Analysis
For Year Ended June 30, 2023

Outstanding Debt at Year End As of June 30, 2023

	Governmental <u>Activities</u>
General Obligation Debt	\$ 24,340,000
Accrued Employee Vacations	2,156,753
Net Pension Liability	68,074,719
OPEB	<u>96,364,092</u>
Total	<u>\$190,935,564</u>

The School Board's current Standard and Poor's bond rating is AAA.

Additional information on the Natchitoches Parish School Board' long-term debt can be found on page 27 of this report.

Economic Factors and Next Year's Budgets and Rates

In the fiscal year 2023-2024 budget, General Fund revenues are budgeted at \$62,284,562, expenditures are budgeted at \$64,590,757, and other sources of funds are budgeted at \$2,417,833.

Request for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the School Board's finances. If you have questions about this report or need any additional information, contact the Business/Finance Department, at 310 Royal Street, Natchitoches, Louisiana, 71457, call (318) 352-2358, or e-mail lee.waskom@npsb.la.

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THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Superintendent and Board Members
of the Natchitoches Parish School Board

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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; this includes 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 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, 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, Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Changes in Net OPEB Liability and Related Ratios 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 basic financial statements of the School Board's primary government. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditures and changes in fund balance listed as required/other supplementary information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basis financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the Schedule of Expenditures of Federal Awards, the nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditures, and changes in fund balance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, the Schedule of Expenditures of Federal Awards, nonmajor funds combining balance sheet, and nonmajor funds combining schedule of revenues, expenditures, and changes in fund balance are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Department of Education and the Louisiana Legislative Auditor, we have issued reports, dated December 21, 2023, on the results of our performance measure agreed-upon procedures and statewide agreed-upon procedures performed 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*. The purpose of those reports is solely to describe the scope of testing performed 1) on the performance and statistical data identified in the Louisiana Department of Education, 2) those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on performance and statistical data, control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana
December 21, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish School Board
Natchitoches, Louisiana
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 23,767,918
Investments	11,229,309
Revenue Receivables	8,443,829
Inventories	<u>187,888</u>
Total Current Assets	<u>\$ 43,628,944</u>
Noncurrent Assets-	
Capital Assets (net of accumulated depreciation)	<u>\$ 41,079,646</u>
Total Assets	<u>\$ 84,708,590</u>
Deferred Outflows of Resources-	
Pension	\$ 23,915,045
OPEB	<u>20,173,751</u>
Total Deferred Outflows of Resources	<u>\$ 44,088,796</u>
Liabilities-	
Current Liabilities-	
Cash Overdraft	\$ 11,369,171
Accounts Payable	2,802,991
Accrued Payroll	13,163,911
Current Portion of Long-Term Debt	<u>1,255,000</u>
Total Current Liabilities	<u>\$ 28,591,073</u>
Long-term Liabilities-	
Accrued Compensated Absences	\$ 2,156,753
OPEB Payable	96,364,092
Net Pension Liability	68,074,719
Long-Term Debt	<u>23,085,000</u>
Total Long-term Liabilities	<u>\$ 189,680,564</u>
Total Liabilities	<u>\$ 218,271,637</u>
Deferred Inflows of Resources-	
Pension	\$ 632,788
OPEB	<u>16,523,020</u>
Total Deferred Inflows of Resources	<u>\$ 17,155,808</u>
Net Position-	
Net Investment in Capital Assets	\$ 16,739,646
Unrestricted (Deficit)	<u>(123,369,705)</u>
Total Net Position	<u>\$ (106,630,059)</u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Statement of Activities
Year Ended June 30, 2023

Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities-					
Instruction-					
Regular Programs	\$ (21,623,190)	\$ 261,141	\$ 13,100	\$ 10,800	\$ (21,338,149)
Special Programs	(7,803,062)	95,884	260,261	-	(7,446,917)
Career & Technical Programs	(1,137,845)	-	92,254	-	(1,045,591)
All Other Programs	(14,285,006)	-	12,899,110	-	(1,385,896)
Support Services-					
Student Services	(4,748,509)	3,099,968	1,565,250	-	(83,291)
Instructional Staff Support	(5,587,739)	225,778	3,597,779	-	(1,764,182)
General Administration	(2,076,672)	-	243,000	-	(1,833,672)
School Administration	(4,588,806)	-	-	-	(4,588,806)
Business Services	(1,020,045)	-	-	-	(1,020,045)
Plant Services	(7,636,112)	-	-	176,669	(7,459,443)
Student Transportation Services	(5,371,977)	-	-	-	(5,371,977)
Central Services	(1,090,687)	-	194,351	-	(896,336)
School Food Services	(4,583,966)	161,911	4,084,456	-	(337,599)
Debt Service-					
Interest	(1,026,912)	-	-	-	(1,026,912)
Total Governmental Activities	\$ (82,580,528)	\$ 3,844,682	\$ 22,949,561	\$ 187,469	\$ (55,598,816)
General Revenues:					
Taxes-					
Ad Valorem					\$ 10,753,147
Sales & Use					23,396,737
Grants & Contributions not Restricted to Specific Programs-					
Minimum Foundation Program					30,483,465
State Revenue Sharing					177,261
Investment Earnings					246,348
NEC Revenue					308,323
Local Revenue Transfers - Private Schools					(175,121)
Miscellaneous					442,230
Total General Revenues					\$ 65,632,390
Change in Net Position					\$ 10,033,574
Net Position (Deficit) July 1, 2022					(116,663,633)
Net Position (Deficit) June 30, 2023					\$ (106,630,059)

FUND
FINANCIAL STATEMENTS

Natchitoches Parish School Board
Natchitoches, Louisiana
Governmental Funds
Balance Sheet
June 30, 2023

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash & Cash Equivalents	\$ 14,106,331	\$ 9,661,587	\$ 23,767,918
Investments	10,126,631	1,102,678	11,229,309
Revenue Receivables	987,763	7,456,066	8,443,829
Inventories	-	187,888	187,888
Total Assets	\$ 25,220,725	\$ 18,408,219	\$ 43,628,944
<u>Liabilities</u>			
Cash Overdraft	\$ 5,245,644	\$ 6,123,527	\$ 11,369,171
Accounts Payable	354,131	2,448,860	2,802,991
Accrued Payroll	10,439,972	2,723,939	13,163,911
Total Liabilities	\$ 16,039,747	\$ 11,296,326	\$ 27,336,073
<u>Fund Balance</u>			
Nonspendable	\$ -	\$ 187,888	\$ 187,888
Restricted	-	6,924,005	6,924,005
Unassigned	9,180,978	-	9,180,978
Total Fund Balance	\$ 9,180,978	\$ 7,111,893	\$ 16,292,871
Total Liabilities & Fund Balance	\$ 25,220,725	\$ 18,408,219	\$ 43,628,944

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
 Natchitoches, Louisiana
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2023

Total Governmental Fund Balances	\$	16,292,871
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Amounts reported for Governmental Activities
 in the Statement of Net Position are different because:

Noncurrent assets used in Governmental Activities
 are not financial resources. Therefore, they are not
 reported in the Governmental Fund Balance Sheet-

Capital Assets		53,988,160
Less, Accumulated Depreciation		(12,908,514)
Deferred Outflows of Resources		44,088,796

Long-term Liabilities are not due and payable in the
 current period. Therefore they are not reported in the
 Governmental Fund Balance Sheet-

Accrued Compensated Absences		(2,156,753)
Other Post-Employment Benefit Obligation		(96,364,092)
Net Pension Liability		(68,074,719)
Long-Term Debt		(24,340,000)
Deferred Inflows of Resources		<u>(17,155,808)</u>

Total Net Position of Governmental Activities at June 30, 2023	\$	<u>(106,630,059)</u>
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Natchitoches Parish School Board
Natchitoches, Louisiana
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2023

	<u>Major Fund</u>		
	<u>General Fund</u>	Nonmajor <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Local Sources:			
Taxes-			
Ad Valorem	\$ 4,709,241	\$ 6,043,906	\$ 10,753,147
Sales & Use	23,396,737	-	23,396,737
Investment Earnings	345,542	(99,194)	246,348
Charges for Services	-	61,552	61,552
Other	1,589,881	2,468,697	4,058,578
State Sources:			
Minimum Foundation Programs	29,986,716	496,749	30,483,465
Other	385,551	967,750	1,353,301
Federal Sources:			
Intergovernmental	<u>301,479</u>	<u>21,826,294</u>	<u>22,127,773</u>
Total Revenues	<u>\$ 60,715,147</u>	<u>\$ 31,765,754</u>	<u>\$ 92,480,901</u>
Expenditures:			
Current-			
Instruction-			
Regular Programs	\$ 27,957,607	\$ 435,591	\$ 28,393,198
Special Programs	7,399,918	403,144	7,803,062
Vocational Programs	1,050,446	87,399	1,137,845
All Other Programs	2,063,311	12,221,695	14,285,006
Support Services-			
Student Services	3,579,739	1,168,770	4,748,509
Instructional Staff Support	2,255,875	3,331,864	5,587,739
General Administration	1,810,164	266,508	2,076,672
School Administration	4,273,269	203,888	4,477,157
Business Services	958,399	61,646	1,020,045
Plant Services	5,679,001	1,957,111	7,636,112
Student Transportation Services	5,091,215	280,762	5,371,977
Central Services	875,645	215,042	1,090,687
School Food Services	2,278	4,581,688	4,583,966
Debt Service-			
Principal	-	1,800,000	1,800,000
Interest	-	1,026,912	1,026,912
Capital Outlay	<u>488,447</u>	<u>6,140,488</u>	<u>6,628,935</u>
Total Expenditures	<u>\$ 63,485,314</u>	<u>\$ 34,182,508</u>	<u>\$ 97,667,822</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (2,770,167)	\$ (2,416,754)	\$ (5,186,921)

Continued on next page.

Natchitoches Parish School Board
Natchitoches, Louisiana
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2023

	<u>Major Fund</u>		Total Governmental Funds
	<u>General Fund</u>	Nonmajor Funds	
Other Financing Sources (Uses):			
Operating Transfers In	\$ 2,170,814	\$ 2,886,898	\$ 5,057,712
Operating Transfers Out	(45,316)	(5,012,396)	(5,057,712)
Local Revenue Transfers - Private Schools	<u>(175,121)</u>	<u>-</u>	<u>(175,121)</u>
Total Other Financing	<u>\$ 1,950,377</u>	<u>\$ (2,125,498)</u>	<u>\$ (175,121)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (819,790)	\$ (4,542,252)	\$ (5,362,042)
Fund Balances-Beginning of Year	<u>10,000,768</u>	<u>11,654,145</u>	<u>21,654,913</u>
Fund Balances-End of Year	<u>\$ 9,180,978</u>	<u>\$ 7,111,893</u>	<u>\$ 16,292,871</u>

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

Net Change in Fund Balances-Total Governmental Funds	\$ (5,362,042)
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Amounts reported for Governmental Activities in the Statement of Activities are different because Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The current year amounts for these items were-

Capital Expenditures	6,628,935
Depreciation Expense	(1,574,899)

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in the governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. These timing differences are summarized below:

Principal Debt Payments	1,800,000
Accrued Compensated Absences	(111,649)
Other Post-Employment Benefit Obligation	6,373,315
Non Employer Pension Revenue	308,323
Pension Expense	<u>1,971,591</u>

Change in Net Position of Governmental Activities	<u>\$ 10,033,574</u>
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NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

Introduction

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

The School Board operates 14 schools within the parish with an approximate enrollment of 5,235 pupils at the October 1, 2022 count date. In conjunction with the regular education 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.

1. Summary of Significant Accounting Policies:

The financial statements of the School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School Board's accounting policies are described below.

A. Reporting Entity-

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 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.

Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies, and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

B. Basis of Presentation-

Government-Wide Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the School Board as a whole. They include all funds of the reporting government. For the most part, the effect of interfund activity has been removed from these statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

The Statement of Net Position presents the governmental type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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

Fund Financial Statements

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

The funds of the School Board are categorized as governmental funds. The funds report detailed information about the School Board. The focus of the Fund Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The funds of the School Board are described below:

General Fund - is the general operating fund of the School Board. It is used to account for all financial resources except for those required to be accounted for in another fund.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - are used to account for the acquisition or construction of major capital facilities.

Debt Service Funds - are used to account for accumulation of resources for and payment of general long-term debt principal, interest, and related costs.

The major fund of the School Board is described below:

General Fund – To account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

The Government-Wide Financial Statements are reported using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, post-employment benefit obligations, pension expense and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting-

Annual budgets are adopted and recorded in the accounting records for the General Fund and the Special Revenue Funds. The proposed budgets are prepared by the business manager, the superintendent, and the finance committee of the School Board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At a board meeting in September, a public hearing is held and the proposed budgets are legally adopted by the School Board. After the budget is adopted, it is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Formal budgetary integration (within the accounting records) is employed as a management control device. The superintendent is authorized to transfer amounts between line items within a fund; however, budgetary comparisons are prepared and presented to the School Board during regular meetings. The School Board adopts a budget amendment when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more.

E. Assets, Liabilities, and Equity-

Cash, Cash Equivalents and Investments-

The cash includes all demand accounts, savings accounts, and money market accounts of the School Board. The School Board considers cash equivalents as amounts in time deposits and those income-producing items with original maturities of 90 days or less. The School Board considers investments as amounts with original maturities exceeding 90 days. Investments are stated at fair value.

Receivables-

Receivables are charged against revenue as they become uncollectible. The School Board considers all accounts to be collectible, therefore an allowance for doubtful accounts was not recorded.

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

Inventories-

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used, using a first-in, first-out basis. Inventory of the Child Nutrition Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. Inventory on hand at year-end is reported as nonspendable fund balance to indicate that it is not a part of expendable available financial resources.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Natchitoches Parish School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

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

Buildings	40 years
Building/Land Improvements	15 years
Furniture and Equipment	7 years

Compensated Absences-

All 12-month employees can earn 10 days of vacation leave each year. Vacation leave can accumulate up to 20 days and upon any termination, unused vacation leave will be paid to the employee (or heirs) based on the employee's current rate of pay.

All School Board employees earn 10 days of sick leave each year. Sick leave for teachers and school employees can be accumulated without limitation, however all other employees are limited to 25 days of accumulated sick leave. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefits computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee (or heirs), is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for professional and cultural improvement and for medical reasons. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after 3 years of continuous service or two semesters of sabbatical leave after 6 or more years of continuous service. Professional and cultural improvement sabbaticals are

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

restricted in nature as a condition of the leave and, therefore, are considered only a change in the types of services being rendered and not subject to accrual. Medical sabbaticals require the use of virtually all sick leave before a sabbatical can be taken and are not material. Sabbatical leave benefits are recorded as expenditures in the period paid.

Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Equity Classifications-

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

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

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expenses.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$9,180,978. If applicable, the Natchitoches Parish School Board would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Interfund Transactions-

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of governmental funds. Interfund transfers are eliminated for the Statement of Activities. The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$2,170,814	\$ 45,316
Special Revenue Funds	<u>2,886,898</u>	<u>5,012,396</u>
Total	<u>\$5,057,712</u>	<u>\$5,057,712</u>

Transfers are primarily used to move funds:

- To move revenues from the collected fund required by statute, voter-approved resolution, or budget to the fund required by statute or budget to expend them.
- To use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. Estimates-

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

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Natchitoches Parish School Board are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Natchitoches Parish School Board will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Natchitoches Parish School Board that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Natchitoches Parish School Board's name.

At year end, the School Board had collected bank balances of \$10,140,843, which were fully secured by \$500,000 of federal depository insurance and pledged securities with a market value in excess of \$9,640,843 held by the custodial banks in the name of the School Board.

3. Investments:

As of June 30, 2023, the School Board had investments totaling \$11,229,309, with the recurring fair value measurement of Level 1. Level 1 type of investments are valued using quoted market prices for identical assets.

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

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The School Board's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial Credit Risk: This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board has custodial risk exposure for the investment balance because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities. Investments are held with an investment management company which is insured by SIPC for up to \$500,000.

4. Receivables:

The following is a summary of receivables at June 30, 2023:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Intergovernmental-		
Federal	\$ 0	\$7,199,515
State	0	256,551
Other Receivables	<u>987,763</u>	<u>0</u>
Total	<u>\$987,763</u>	<u>\$7,456,066</u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

5. Long-Term Debt:

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

	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/22</u>
Compensated Absences	\$ 2,045,105	\$ 111,648	\$ -	\$ 2,156,753
Net OPEB	73,456,442	22,907,650	-	96,364,092
Net Pension Liability	36,698,554	31,376,165	-	68,074,719
Long-Term Debt	<u>26,140,000</u>	<u>-</u>	<u>1,800,000</u>	<u>24,340,000</u>
Total	<u>\$ 138,340,101</u>	<u>\$54,395,463</u>	<u>\$ 1,800,000</u>	<u>\$ 190,935,564</u>

The General Obligation Bonds Outstanding at June 30, 2023, are as follows:

<u>Issue</u>	<u>Issue Date</u>	<u>Original Issue Amount</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>	<u>Due In One Year</u>
General Obligation-						
Series 2017	11-07-2017	\$ 7,200,000	03-01-2037	2.0-4.0%	\$ 5,460,000	\$ 310,000
Series 2015	09-10-2015	\$ 3,500,000	03-01-2035	2.5-3.5%	2,570,000	160,000
Series 2018	11-11-2018	\$19,750,000	03-01-2038	3.0-5.0%	<u>16,310,000</u>	<u>785,000</u>
Total General Obligation Debt					<u>\$24,340,000</u>	<u>\$1,255,000</u>

The annual debt service requirements to maturity of general obligation bonds outstanding at June 30, 2023 are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,255,000	\$ 985,112	\$ 2,240,112
2025	1,310,000	940,013	2,250,013
2026	1,370,000	884,738	2,254,738
2027	1,425,000	827,212	2,252,212
2028	1,500,000	767,287	2,267,287
2029-2033	8,480,000	2,909,150	11,389,150
2034-2038	<u>9,000,000</u>	<u>1,156,451</u>	<u>10,156,451</u>
Total	<u>\$24,340,000</u>	<u>\$8,469,963</u>	<u>\$32,809,963</u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

6. Capital Assets:

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

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital Assets; not depreciated-				
Land	\$ 1,300,290	\$ -	\$ -	\$ 1,300,290
Construction in Progress	12,487,702	4,746,209	4,593,410	12,640,501
Capital Assets; depreciated-				
Building and Improvements	26,539,246	5,843,214	-	32,382,460
Furniture and Equipment	7,031,987	632,922	-	7,664,909
Total Assets	<u>\$ 47,359,225</u>	<u>\$ 11,222,345</u>	<u>\$ 4,593,410</u>	<u>\$ 53,988,160</u>
Accumulated Depreciation-				
Building and Improvements	\$ 5,394,151	\$ 1,270,894	\$ -	\$ 6,665,045
Furniture and Equipment	5,939,464	304,005	-	6,243,469
Total Accumulated Depreciation	<u>\$ 11,333,615</u>	<u>\$ 1,574,899</u>	<u>\$ -</u>	<u>\$ 12,908,514</u>
Total Capital Assets, net	<u>\$ 36,025,610</u>	<u>\$ 9,647,446</u>	<u>\$ 4,593,410</u>	<u>\$ 41,079,646</u>

Depreciation expense of \$1,574,899 for the year ended June 30, 2023, was charged to instruction.

7. Employee Retirement Systems:

Substantially all employees of the School Board are members of the Teachers' Retirement System of Louisiana (TRSL) and Louisiana School Employees' Retirement System (LSERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. General Information about the Plans

Teachers' Retirement System of Louisiana (TRSL)

Plan Description

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

Benefits Provided

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

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

Retirement

Members hired prior to July 1, 1999:

- 2% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit.
- 2.5% benefit factor (1) at least age 65 with at least 20 years of service credit, or (2) at least age 55 with at least 25 years of service credit, or (3) any age with at least 30 years of service credit.

Members joining system between July 1, 1999 and December 31, 2010:

- 2.5% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) at least age 55 with at least 25 years of service credit, or (3) any age with at least 20 years of service credit (actuarially reduced), or (4) any age with at least 30 years of service credit.

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

- 2.5% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit (actuarially reduced).

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

- 2.5% benefit factor (1) at least age 62 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit (actuarially reduced).

Plan A is closed to new entrants. All Plan A members with a 3% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) at least age 55 with at least 25 years of service credit, or (3) any age with at least 30 years of service credit.

Plan B members hired before July 1, 2015 with 2% benefit factor (1) at least age 60 with at least 5 years of service credit, or (2) at least age 55 with at least 30 years of service credit. Plan B members first eligible to join and hired on or after July 1, 2015 with 2% benefit factor (1) at least age 62 with at least 5 years of service credit, or (2) any age with at least 20 years of service credit (actuarially reduced).

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

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

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

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Deferred Retirement Option Program (DROP)

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

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

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

Disability Retirement Benefits

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

Survivor's Benefits

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

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

A surviving spouse with minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

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Optional Retirement Plan (ORP)

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

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

Contributions

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

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

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

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

<u>Plan</u>	<u>Employer Contribution Rate</u>
K-12 Regular Plan	25.2%
Higher Ed Regular Plan	24.5%
Plan A	25.2%
Plan B	25.2%
ORP 2021	21.47%

The School Board's contractually required composite contribution rate for the year ended June 30, 2023 was 24.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$9,232,434 for the year ended June 30, 2023.

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In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions of \$308,323 are recognized as revenue.

Louisiana School Employees' Retirement System (LSERS)

Plan Description

The School Board contributes to the Louisiana School Employees' Retirement System which is a cost-sharing multiple employer defined benefit pension plan. LSERS was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes to provide retirement, disability and survivor benefits to all eligible school bus operators, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children. LSERS is a component unit of the State of Louisiana.

Eligibility Requirements

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board who work more than twenty hours per week as a school bus operator, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employees who works on a school bus helping with the transportation of school children. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

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

Benefit Provided

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

Retirement

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

For members who joined LSERS prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the highest three consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2/month for each year

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of service. For members who joined LSERS on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join LSERS on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five, highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering LSERS on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose services retirement became effective after July 1, 1971.

Disability Benefits

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

Survivor Benefits

Upon the death of a member with five or more years of creditable service, LSERS provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Deferred Retirement Option Plan (DROP)

Members of LSERS may elect to participate in 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 LSERS terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in DROP. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into DROP Plan Fund Account.

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

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

Initial Benefit Retirement Plan (IBRP)

Effective January 1, 1996, the state legislature authorized LSERS to establish an IBRP program. IBRP is available to members who have not participated in DROP and who select certain benefit options. Thereafter, these members are ineligible to participate in DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement

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benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:152(F)(3). Members who enter DROP or IBRP on or after January 1, 2004, are required to participate in LSERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP/IBRP participants to choose from a menu of investment options for the allocation of their DROP/IBRP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the actual employer contribution rate was 28.70%.

The School Board's contractually required composite contribution rate for the year ended June 30, 2023 was 27.60% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$569,077 for the year ended June 30, 2023.

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

At June 30, 2023 and 2022, the School Board reported its proportionate shares of the Net Pension Liabilities of the Plans.

Plan	Measurement Date	
	June 30, 2022	June 30, 2021
TRSL	\$65,075,381	\$34,354,514
LSERS	2,999,338	2,344,040
Total	\$68,074,719	\$36,698,554

The Net Pension Liabilities were measured as of June 30, 2022 for TRSL and LSERS, and the total pension liability used to calculate the Net Pension Liabilities were determined by an actuarial valuation as of those dates. The School Board's proportion of the Net Pension Liabilities was based on a projection of the School Board's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the measurement dates, the School Board's proportions of each were as follows:

Plan	Proportionate Share	
	June 30, 2022	June 30, 2021
TRSL	.68161%	.64349%
LSERS	.45103%	.49315%
Total	1.13264%	1.13664%

For the year ended June 30, 2023 and 2022, the School Board recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	June 30, 2021	June 30, 2021
TRSL	\$7,437,169	\$(1,303,280)
LSERS	392,751	214,495
Total	\$7,829,920	\$(1,088,785)

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

	TRSL		LSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,008,646	\$ 187,671	\$ 71,016	\$ -	\$ 1,079,662	\$ 187,671
Changes in Assumptions	4,389,302	-	108,195	-	4,497,497	-
Net Difference between projected and actual earnings on pension plan	3,692,946	-	-	77,258	3,692,946	77,258
Changes in employer's proportion of beg NPL	4,785,120	80,783	42,377	178,916	4,827,497	259,699
Differences between employer and proportionate share of contributions	15,932	106,166	-	1,994	15,932	108,160
Subsequent Measurement Contributions	9,232,434	-	569,077	-	9,801,511	-
Total	\$ 23,124,380	\$ 374,620	\$ 790,665	\$ 258,168	\$ 23,915,045	\$ 632,788

The deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date in the amount of \$9,801,511, will be recognized as a reduction of the Net Pension Liabilities in the year June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 3,499,103
2025	2,690,870
2026	57,373
2027	7,233,400
Total	\$13,480,746

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liabilities for the valuation dates of June 30, 2022 for TRSL and LSERS are as follows:

<u>Assumptions</u>	<u>TRSL</u>	<u>LSERS</u>
Actuarial cost method	Entry age normal cost	Entry age normal cost
Expected remaining service lives	5 years	3 years
Investment rate of return	7.25%	6.800%
Inflation rate	2.30%	2.500%
Projected salary increases	3.1% - 4.6%	3.250%

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Mortality rates for TRSL were based on RP-2014 tables. For active members, RP-2014 White Collar Employee tables were used, adjusted by 1.010 for males and by 0.997 for females. For non-disabled retiree/inactive members, RP-2014 White Collar Healthy Annuitant tables were used, adjusted by 1.366 for males and by 1.189 for females. For disability retiree mortality, RP-2014 Disability tables were used, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables. The mortality rate assumption was based upon an experience study performed on plan data for the period July 1, 2012 through June 30, 2017.

Mortality rates for LSERS were based on RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Mortality Table.

The long-term expected rate of return on TRSL 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 expense and inflation) are developed for each major asset class.

The long-term expected rate of return on LSERS pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in pensions target asset allocation as of June 30, 2022 for TRSL and LSERS are summarized in the following table:

<u>Asset Class</u>	TRSL		LSERS	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	46.0%	9.31%	39%	2.67%
Fixed Income	18.5%	.75%	26%	.73%
Alternative	0.0%	0.00%	23%	1.85%
Other	35.5%	11.87%	12%	.62%
Totals	100.0%	21.93%	100%	5.87%

The discount rate used to measure the total pension liability was 7.25% for TRSL and 6.80% for LSERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the

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Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, TRSL and LSERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School Board's proportionate share of the Net Pension Liabilities using the discount rates as shown above, as well as what the School Board's proportionate share of the Net Pension Liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL	\$89,370,854	\$65,075,381	\$43,014,471
LSERS	\$ 4,194,434	\$ 2,999,338	\$ 1,977,883

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net positions are available in the separately issued financial statements of the Plans.

Payables to the Pension Plans

These financial statements include payables to the pension plans of \$3,964,157, which is the legally required contributions due at June 30, 2023. This amount is recorded in accrued expenses.

8. Risk Management/Contingencies/Pending Litigation:

- Risk Management-The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the School Board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. With respect to injuries to employees (worker's compensation), the School Board has initiated a risk management program for worker's compensation insurance. Operations of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$400,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.
- Federal Grants-The School Board has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the School Board.

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- **Litigation**-The School Board is party to legal proceedings which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the School Board with respect to the various proceedings. The School Board’s legal counsel has reviewed the School Board’s claims and lawsuits in order to evaluate the likelihood of any unfavorable outcome to the School Board and to arrive at an estimate, if any of the amount or range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into probable, reasonable possible, or remote as defined by the Governmental Accounting Standards Board. The amounts of claims and lawsuits which have been classified as reasonably possible with a potential financial exposure totaling \$50,000 for each claim with a good portion of which would be covered by insurance should the plaintiff(s) be successful. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board’s financial position.

- **Economic Dependency**-The School Board received Minimum Foundation funding of \$30,483,465 (32.96% of revenue) for the year. The Minimum Foundation funding is provided by the state to all public school systems in Louisiana primarily based on October 1 student count.

9. Ad Valorem Taxes:

The School Board levies taxes on real and business personal property located within the boundaries of Natchitoches Parish. Property taxes are levied by the School Board on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Natchitoches Parish Sheriff bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties & interest added	January 31
Lien date	January 31
Tax sale	May 15

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

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2021. Total assessed value was \$460,339,973 in 2022. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption was a total of \$55,708,740 of the assessed value in 2022.

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The distribution of the School Board's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2023:

	<u>Mills</u>
Parish-Wide Taxes-	
General School	4.65
Special School	7.00
District Taxes-	
School District #9	
Maintenance	6.90
Bond	7.00
School District #7	
Special	12.00
Bond	8.00
School District #8	
Bond	26.00
Maintenance	7.00
Special	7.00

Total ad valorem tax revenues recognized by the School Board were \$10,753,147 for the year ended June 30, 2023.

10. Tax Abatement:

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 Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2023, approximately \$345,556 in School Board ad valorem tax revenues were abated by the State of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

11. Dedication of Proceeds and Flow of Funds-Sales & Use Tax:

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

- A) 1% parish-wide sales and use tax, the proceeds of the tax are dedicated to the operation, maintenance, and upgrading the public schools in Natchitoches Parish. This tax was effective August 1, 2003, with an expiration date of August 1, 2023;
- B) ½ of 1% sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish. This tax was effective July 1, 1996, with no expiration date;
- C) ½ of 1% sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish. This tax was effective July 1, 2004, with no expiration date.

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12. Compensation Paid to Board Members:

<u>Board Member</u>	<u>Compensation</u>
Barbara Page	\$ 4,800
Tan'Keia Palmer	8,700
Dorothy McGaskey	8,700
Billy Benefield, Jr.	9,000
Lela Harvey	8,700
Reba Phelps	9,000
Chad Fredieu	4,800
Steven Harris	8,700
Micah Nicholson	4,800
Russell Danzy	8,700
Emile Metoyer	8,700
Beverly Broadway	3,900
Eugean Garner	3,900
Rhonda Guidroz	<u>3,900</u>
Total	<u>\$96,300</u>

13. Post-Employment Benefits:

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

Benefits Provided - Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured, multiple-employer arrangement. This plan is deemed to be a single employer defined benefit OPEB plan for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who entered one of the four state systems on or after January 1, 2011 may not retire until age 60 without actuarial reduction in their pension benefits.

Life insurance coverage under the OGB program is available to retirees by election and the rate used is a blended rate (active and retired). The employer pays 50% of the cost (at the blended rate) of the retiree life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Employees covered by benefit terms - At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	554
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>577</u>
Total	<u><u>1,131</u></u>

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Total OPEB Liability

The School Board's total OPEB liability of \$96,364,092 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

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

Inflation	2.00%
Salary increases	3.20 - 4.60% including inflation
Discount rate	3.54% annually (Beginning of Year to Determine ADC) 3.65% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen Model
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyer 20 Year General Obligation municipal bond index as of June 30, 2023, the end of the applicable measurement period.

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

Changes in the Total OPEB Liability

Balance at July 1, 2022	\$ 73,456,442
Changes for the year:	
Service cost	2,671,786
Interest	2,632,945
Differences between expected and actual experience	(1,467,898)
Changes in assumptions	22,604,056
Benefit payments and net transfers	(3,533,239)
Net changes	22,907,650
Balance at June 30, 2023	\$ 96,364,092

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

	1.0% Decrease (2.65%)	Current Discount Rate (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	\$112,187,641	\$96,364,092	\$83,763,316

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:

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to Financial Statements
June 30, 2023

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$82,405,364	\$96,364,092	\$114,187,768

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 \$(2,840,076). 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	\$2,090,506	\$ (1,818,601)
Changes in assumptions	18,083,245	(14,704,419)
Total	\$20,173,751	\$ (16,523,020)

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

<u>June 30:</u>	
2024	\$(5,861,788)
2025	1,058,054
2026	4,227,231
2027	<u>4,227,234</u>
Total	<u>\$ 3,650,731</u>

14. Subsequent Events:

Management has evaluated events through December 21, 2023, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Natchitoches Parish School Board
Natchitoches, Louisiana
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Local Sources	\$ 27,687,160	\$ 29,574,987	\$ 28,105,978	\$ (1,469,009)
State Sources	30,642,901	30,322,999	30,372,267	49,268
Federal Sources	288,365	295,033	301,479	6,446
Other Sources of Funds	1,915,699	2,923,390	1,935,423	(987,967)
Total Revenues	<u>\$ 60,534,125</u>	<u>\$ 63,116,409</u>	<u>\$ 60,715,147</u>	<u>\$ (2,401,262)</u>
Expenditures:				
Current-				
Instruction-				
Regular Programs	\$ 26,147,224	\$ 28,168,483	\$ 27,957,607	\$ 210,876
Special Programs	7,685,177	7,241,686	7,399,918	(158,232)
Vocational Programs	1,172,611	1,050,450	1,050,446	4
All Other Programs	1,878,268	1,933,992	2,063,311	(129,319)
Support Services-				
Student Services	2,859,956	3,580,311	3,579,739	572
Instructional Staff Support	2,233,753	2,227,156	2,255,875	(28,719)
General Administration	1,877,222	1,817,466	1,810,164	7,302
School Administration	4,317,835	4,150,461	4,273,269	(122,808)
Business Services	956,888	956,320	958,399	(2,079)
Plant Services	5,276,448	5,929,818	5,679,001	250,817
Student Transportation Services	4,978,022	5,093,683	5,091,215	2,468
Central Services	797,889	875,647	875,645	2
School Food Services	27,729	2,278	2,278	-
Debt Service-				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	45,293	-	488,447	(488,447)
Total Expenditures	<u>\$ 60,254,315</u>	<u>\$ 63,027,751</u>	<u>\$ 63,485,314</u>	<u>\$ (457,563)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 279,810	\$ 88,658	\$ (2,770,167)	\$ (2,858,825)
Other Financing Sources (Uses):				
Operating Transfers In	\$ -	\$ -	\$ 2,170,814	\$ 2,170,814
Operating Transfers Out	(279,810)	(88,658)	(45,316)	43,342
Local Revenue Transfers - Private Schools	-	-	(175,121)	(175,121)
Total Other Financing	<u>\$ (279,810)</u>	<u>\$ (88,658)</u>	<u>\$ 1,950,377</u>	<u>\$ 2,039,035</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ -	\$ -	\$ (819,790)	\$ (819,790)
Fund Balances-Beginning of Year	<u>10,000,768</u>	<u>10,000,768</u>	<u>10,000,768</u>	<u>-</u>
Fund Balances-End of Year	<u>\$ 10,000,768</u>	<u>\$ 10,000,768</u>	<u>\$ 9,180,978</u>	<u>\$ (819,790)</u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2023

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
<i>Teachers' Retirement System of Louisiana</i>					
2015	0.69850%	\$ 71,396,513	\$ 31,177,287	229.0%	63.7%
2016	0.68301%	\$ 73,439,237	\$ 30,558,771	240.3%	62.5%
2017	0.69517%	\$ 81,591,542	\$ 33,291,460	245.1%	59.9%
2018	0.66508%	\$ 68,183,390	\$ 30,204,310	225.7%	65.6%
2019	0.60560%	\$ 59,518,882	\$ 27,640,842	215.3%	68.2%
2020	0.60163%	\$ 59,709,274	\$ 27,578,648	216.5%	68.6%
2021	0.61508%	\$ 68,418,523	\$ 30,386,587	225.2%	65.6%
2022	0.64349%	\$ 34,354,514	\$ 34,151,671	100.6%	83.9%
2023	0.68161%	\$ 65,075,381	\$ 37,225,790	174.8%	72.4%
<i>School Employees' Retirement System</i>					
2015	0.55190%	\$ 3,199,283	\$ 330,958	966.7%	76.2%
2016	0.49069%	\$ 3,111,591	\$ 361,642	860.4%	74.5%
2017	0.51337%	\$ 3,872,562	\$ 1,400,927	276.4%	70.1%
2018	0.48515%	\$ 3,104,619	\$ 1,273,109	243.9%	75.0%
2019	0.48051%	\$ 3,210,467	\$ 1,558,811	206.0%	74.4%
2020	0.48834%	\$ 3,418,654	\$ 1,713,177	199.6%	73.5%
2021	0.47489%	\$ 3,815,536	\$ 1,511,267	252.5%	69.7%
2022	0.49315%	\$ 2,344,040	\$ 1,460,253	160.5%	82.5%
2023	0.45103%	\$ 2,999,338	\$ 1,532,468	195.7%	76.3%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Employer Contributions
For the Year Ended June 30, 2023

<u>Fiscal Year*</u>	<u>Contractually Required Contributions</u>	Contributions in Relation to Contractually Required Contributions	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	Contributions as a Percentage of Covered Employee Payroll
<i>Teachers' Retirement System of Louisiana</i>					
2015	\$ 8,556,546	\$ 8,556,546	\$ -	\$ 31,177,287	27.4%
2016	\$ 8,755,654	\$ 8,755,654	\$ -	\$ 30,558,771	28.7%
2017	\$ 7,702,099	\$ 7,702,099	\$ -	\$ 33,291,460	23.1%
2018	\$ 7,352,464	\$ 7,352,464	\$ -	\$ 30,204,310	24.3%
2019	\$ 7,363,499	\$ 7,363,499	\$ -	\$ 27,640,842	26.6%
2020	\$ 7,540,700	\$ 7,540,700	\$ -	\$ 27,578,648	27.3%
2021	\$ 7,840,310	\$ 7,840,310	\$ -	\$ 30,386,587	25.8%
2022	\$ 8,599,946	\$ 8,599,946	\$ -	\$ 34,151,671	25.2%
2023	\$ 9,232,434	\$ 9,232,434	\$ -	\$ 37,225,790	24.8%

School Employees' Retirement System

2015	\$ 490,864	\$ 490,864	\$ -	\$ 1,491,081	32.9%
2016	\$ 109,216	\$ 109,216	\$ -	\$ 361,642	30.2%
2017	\$ 382,453	\$ 382,453	\$ -	\$ 1,400,927	27.3%
2018	\$ 420,126	\$ 420,126	\$ -	\$ 1,273,109	33.0%
2019	\$ 436,467	\$ 436,467	\$ -	\$ 1,558,811	28.0%
2020	\$ 503,675	\$ 503,675	\$ -	\$ 1,713,177	29.4%
2021	\$ 433,734	\$ 433,734	\$ -	\$ 1,511,267	28.7%
2022	\$ 419,093	\$ 419,093	\$ -	\$ 1,460,253	28.7%
2023	\$ 569,077	\$ 569,077	\$ -	\$ 1,532,468	37.1%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 2,671,786	\$ 1,308,943	\$ 1,380,123	\$ 2,790,011	\$ 3,385,956	\$ 3,650,223
Interest	2,632,945	1,832,901	2,160,010	3,322,280	3,668,780	3,311,693
Changes in Benefit Terms		-	-	-	-	-
Differences between expected and actual experience	(1,467,898)	3,275,327	1,811,372	(1,066,668)	(4,074,804)	-
Changes of Assumptions	22,604,056	(15,952,029)	(14,488,958)	(12,165,577)	(4,179,795)	(7,717,515)
Benefit Payments	<u>(3,533,239)</u>	<u>(3,730,546)</u>	<u>(3,757,385)</u>	<u>(3,889,929)</u>	<u>(3,971,451)</u>	<u>(3,971,451)</u>
Net Change in Total OPEB Liability	\$ 22,907,650	\$ (13,265,404)	\$ (12,894,838)	\$ (11,009,883)	\$ (5,171,314)	\$ (4,727,050)
Total OPEB Liability - Beginning	<u>73,456,442</u>	<u>86,721,846</u>	<u>99,616,684</u>	<u>110,626,567</u>	<u>115,797,881</u>	<u>120,524,931</u>
Total OPEB Liability - Ending	\$ <u>96,364,092</u>	\$ <u>73,456,442</u>	\$ <u>86,721,846</u>	\$ <u>99,616,684</u>	\$ <u>110,626,567</u>	\$ <u>115,797,881</u>
Covered-employee Payroll	\$ <u>21,208,173</u>	\$ <u>21,288,404</u>	\$ <u>20,469,619</u>	\$ <u>25,256,000</u>	\$ <u>25,008,984</u>	\$ <u>27,278,554</u>
Net OPEB Liability as a percentage of covered employee payroll	454.37%	345.05%	423.66%	394.43%	442.35%	424.50%
Notes to Schedule:						
Benefit Changes:	None	None	None	None	None	None
Changes in Assumptions:						
Discount Rate:	3.65%	3.54%	2.16%	2.79%	2.98%	3.13%
Mortality:	RP-2014	RP-2000	RP-2000	MP-2017	RP-2014	RP-2014
Trend:	Getzen Model	4.5% to 5.5%	4.5% to 5.5%	5.50%	7.00%	7.00%

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

OTHER SUPPLEMENTARY SCHEDULES

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Agency Head Name: Grant Eloi, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 148,395
Benefits-Insurance	8,321
Benefits-Retirement	39,183
Travel	<u>9,600</u>
Total	<u><u>\$ 205,499</u></u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures	
United States Department of Agriculture:				
Passed through Louisiana Department of Education:				
Child Nutrition - National School Lunch Program	10.555		\$ 3,974,940	
Child Nutrition - Summer Food Service Program	10.559		90,516	<u>\$ 4,065,456</u>
United States Department of Defense:				
Direct Program				
Reserve Officers' Training Corps	12.357			<u>123,896</u>
United States Department of Interior:				
Direct Program				
Timber Sales	15.233			<u>166,783</u>
United States Department of Homeland Security:				
Direct Program				
Federal Emergency Management Agency	97.036			<u>206,469</u>
United States Department of Education:				
Passed through Louisiana Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	28-23-T1-35	\$ 3,744,709	
	84.010A	28-23-DSS-35	80,583	
	84.010A	28-22-RD19-35	<u>448,600</u>	4,273,892
Special Education - Grants to States (IDEA, Part B)	84.027	28-21-B1-35	\$ 154,954	
Special Education - Grants to States (IDEA, Part B)	84.027A	28-23-B1-35	1,180,736	
Special Education - Grants to States (ARPA)	84.027X	28-22-IA11-35	253,261	
Special Education - Grants to States (IDEA, 611 Set Aside)	84.027A	28-22-IISA-35	7,000	
Special Education - Preschool Grants (IDEA Preschool)	84.173A	28-23-P1-35	45,638	
Special Education - Preschool Grants (ARPA)	84.173X	28-22-1A19-35	<u>20,754</u>	1,662,343
Career and Technical Education-Basic Grants to States (Perkins V)	84.048	28-23-02-35		92,254
Rural Education	84.358B	28-23-RLIS-35		201,890
Supporting Effective Instruction State Grants	84.367	28-23-50-35		486,395
Striving Readers	84.371C	28-20-CCU8-35	\$ 39,867	
	84.371C	28-20-CCUK-35	227,000	
	84.371C	28-20-CCU6-35	143,539	
	84.371C	28-20-CCU9-35	<u>157,778</u>	568,184
Education Stabilization Fund (ESF) - COVID-19	84.425D	28-21-ES2F-35	\$ 2,583,067	
	84.425U	28-21-ESEB-35	2,338,347	
	84.425U	28-21-ES3F-35	3,079,243	
	84.425U	28-21-ES31-35	<u>74,789</u>	8,075,446
Total United States Department of Education				<u>15,360,404</u>
United States Department of Health & Human Services:				
Passed through Louisiana Department of Education:				
Substance Abuse and Mental Health Services	93.243	28-22-AWRE-35		293,559
Every Student Succeeds Act/Preschool Development Grants	93.434	28-22-RSB5-35	\$ 20,224	
	93.434	28-22-B3SP-35	<u>272,288</u>	292,512
Epidemiology and Laboratory Capacity of Infectious Diseases	93.323	28-22-LDHS-35		243,000
Child Care and Development Block Grant	93.575	28-22-COLC-35	\$ 19,235	
	93.575	28-21-SBEA-35	256,417	
	93.575	28-21-B3SA-35	939,819	
	93.575	28-21-CCCR-35	44,489	
	93.575	28-21-B3CC-35	3,273	
	93.575	28-23-BCRRSA-35	43,539	
	93.575	28-21-B4CC-35	2,927	
	93.575	28-22-RSNC-35	29,815	
	93.596	28-22-RSCC-35	<u>36,180</u>	1,375,694
Total United States Department of Health & Human Services				<u>2,204,765</u>
Total Federal Financial Assistance				<u>\$ 22,127,773</u>

Natchitoches Parish School Board
Natchitoches, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal financial assistance activity of the Natchitoches Parish School Board under programs of the federal government for the year ended June 30, 2023. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Basis of Accounting

Expenditures reported on the SEFA are reporting on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain type of expenditures are not allowable or are limited to reimbursement.

Indirect Cost Rate

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

Subrecipients

There were no awards passed through to subrecipients.

Natchitoches Parish School Board
Natchitoches, Louisiana
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 6,806,473	\$ 51,997	\$ 2,803,117	\$ 9,661,587
Investments	-	-	1,102,678	1,102,678
Revenue Receivables	7,456,066	-	-	7,456,066
Inventories	187,888	-	-	187,888
Total Assets	<u>\$ 14,450,427</u>	<u>\$ 51,997</u>	<u>\$ 3,905,795</u>	<u>\$ 18,408,219</u>
<u>Liabilities</u>				
Cash Overdraft	\$ 5,391,038	\$ -	\$ 732,489	\$ 6,123,527
Accounts Payable	1,793,688	-	655,172	2,448,860
Accrued Payroll	2,723,939	-	-	2,723,939
Total Liabilities	<u>\$ 9,908,665</u>	<u>\$ -</u>	<u>\$ 1,387,661</u>	<u>\$ 11,296,326</u>
<u>Fund Balance</u>				
Nonspendable	\$ 187,888	\$ -	\$ -	\$ 187,888
Restricted	4,353,874	51,997	2,518,134	6,924,005
Unassigned	-	-	-	-
Total Fund Balance	<u>\$ 4,541,762</u>	<u>\$ 51,997</u>	<u>\$ 2,518,134</u>	<u>\$ 7,111,893</u>
Total Liabilities & Fund Balance	<u>\$ 14,450,427</u>	<u>\$ 51,997</u>	<u>\$ 3,905,795</u>	<u>\$ 18,408,219</u>

See independent auditors' report and notes to financial statements.

Natchitoches Parish School Board
Natchitoches, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Local Sources:				
Taxes-				
Ad Valorem	\$ 3,642,745	\$ -	\$ 2,401,161	\$ 6,043,906
Investment Earnings	807	-	(100,001)	(99,194)
Charges for Services	61,552	-	-	61,552
Other	2,468,697	-	-	2,468,697
State Sources:				
Minimum Foundation Program	496,749	-	-	496,749
Other	967,750	-	-	967,750
Federal Sources:				
Intergovernmental	21,826,294	-	-	21,826,294
Total Revenues	<u>\$ 29,464,594</u>	<u>\$ -</u>	<u>\$ 2,301,160</u>	<u>\$ 31,765,754</u>
Expenditures:				
Current-				
Instruction-				
Regular Programs	\$ 344,563	\$ -	\$ 91,028	\$ 435,591
Special Programs	403,144	-	-	403,144
Vocational Programs	87,399	-	-	87,399
All Other Programs	12,221,695	-	-	12,221,695
Support Services-				
Student Services	1,168,770	-	-	1,168,770
Instructional Staff Support	3,331,864	-	-	3,331,864
General Administration	175,693	-	90,815	266,508
School Administration	203,888	-	-	203,888
Business Services	58,500	-	3,146	61,646
Plant Services	1,953,199	-	3,912	1,957,111
Student Transportation Services	280,762	-	-	280,762
Central Services	215,042	-	-	215,042
School Food Services	4,581,688	-	-	4,581,688
Debt Service-				
Principal	-	-	1,800,000	1,800,000
Interest	-	-	1,026,912	1,026,912
Capital Outlay	4,204,195	-	1,936,293	6,140,488
Total Expenditures	<u>\$ 29,230,402</u>	<u>\$ -</u>	<u>\$ 4,952,106</u>	<u>\$ 34,182,508</u>

Continued on next page.

Natchitoches Parish School Board
Natchitoches, Louisiana
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues over Expenditures	\$ 234,192	\$ -	\$(2,650,946)	\$ (2,416,754)
Other Financing Sources (Uses):				
Operating Transfers In	\$ 255,069	\$ 6,336	\$ 2,625,493	\$ 2,886,898
Operating Transfers Out	<u>(2,386,903)</u>	<u>-</u>	<u>(2,625,493)</u>	<u>(5,012,396)</u>
Total Other Financing	<u>\$ (2,131,834)</u>	<u>\$ 6,336</u>	<u>\$ -</u>	<u>\$ (2,125,498)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(1,897,642)	6,336	(2,650,946)	(4,542,252)
Fund Balances (Deficit)- Beginning of Year	<u>6,439,404</u>	<u>45,661</u>	<u>5,169,080</u>	<u>11,654,145</u>
Fund Balances (Deficit)- End of Year	<u>\$ 4,541,762</u>	<u>\$ 51,997</u>	<u>\$ 2,518,134</u>	<u>\$ 7,111,893</u>

See independent auditors' report and notes to financial statements.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

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

To the Superintendent and Board Members
of the Natchitoches Parish School Board

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish School Board's basic financial statements and have issued our report thereon dated December 21, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Natchitoches Parish School Board's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the finding identified in our audit and 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 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, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

December 21, 2023

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

To the Superintendent and Board Members
of the Natchitoches Parish School Board

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited Natchitoches Parish School Board's (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 the School Board's major federal program for the year ended June 30, 2023. The School Board's major federal program is 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 its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to 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 a material noncompliance when it exists. The risk of not detecting a 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 based on the report on compliance about the School Board's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

identified.

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

December 21, 2023

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Natchitoches Parish School Board as of and for the year ended June 30, 2023.
2. The audit disclosed two significant deficiencies in internal control that are required to be reported under *Government Auditing Standards*, which were not determined to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any instances of material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any instances of noncompliance related to federal awards that are required to be reported under the Uniform Guidance.
7. The following programs were major for the year ended June 30, 2023:
 - o Child Nutrition Cluster (Assistance Listing # 10.555/10.559)
 - o Special Education Cluster (Assistance Listing # 84.027/84.173)
 - o Elementary and Secondary School Emergency Relief Fund (Assistance Listing # 84.425)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish School Board does qualify as a low risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Internal Control

2023-001 Segregation of Duties

Criteria – For internal controls to be effective, there should be an adequate division of responsibilities among the individuals who handle assets and those who perform accounting procedures.

Condition – In reviewing the internal control structure, we noted that some of the Student Activity Funds do not have adequate segregation of duties with respect to all areas of the accounting procedures.

Cause – Some of the schools do not adequately separate authorization, custody, record keeping and reconciliations with regard to the Student Activity Funds.

Natchitoches Parish School Board
Natchitoches, Louisiana
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2023

Effect – Without adequate segregation of duties and oversight, opportunities to misappropriate assets or conceal intentional misstatements in the accounting procedures may not be prevented or detected.

Recommendation - Procedures should be implemented to ensure that all schools implement adequate segregation of duties for the Student Activity Funds.

Management's Response – Management's Corrective Action Plan is attached.

2023-002 Internal Control over Financial Reporting

Criteria – Effective internal controls should provide for accurate and timely financial statements. The availability of complete financial statements is essential to allow management and School Board members to make sound and fiscally responsible decisions. In addition, management's ability to access current cash balances by fund and available fund balances is essential to making decisions in the normal course of business.

Condition – In reviewing the internal control structure, we noted that the only financial statements regularly provided to the School Board members are budgetary comparisons. No balance sheet or cash report by fund is presented as part of the regular financial report. Accurate and current available cash and fund balances by fund are not readily available to management.

Cause – The complexity of the School Board's financial statements and limitations of the accounting software used makes producing a full set of financial statements difficult. In addition, all transactions must be entered as they occur in order for the resulting financial statements to be quickly and accurately made available to management and the School Board members.

Effect – Without a complete set of monthly financial statements, management and School Board members cannot effectively provide sound fiscal responsibility. Management must be able to access balances in cash accounts and individual fund balances in order to make decisions responsibly and ensure compliance with provisions of the various funding sources.

Recommendation – Management should evaluate internal controls over financial reporting and consider options to improve the financial reporting system to provide more immediate access to complete financial statements, including cash and fund balances by fund.

Management's Response – Management's Corrective Action Plan is attached.

III. FINDINGS IN ACCORDANCE WITH *THE UNIFORM GUIDANCE*

None identified.

III. PRIOR YEAR FINDINGS

2022-001 Segregation of Duties

Condition – In reviewing the internal control structure, we noted that some of the Student Activity Funds do not have adequate segregation of duties with respect to all areas of the accounting procedures.

Status – Condition remains at June 30, 2023 (see 2023-001).



Natchitoches Parish School Board

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GRANT ELOI
Superintendent

BILLY BENEFIELD JR.
President

RUSSELL DANZY
Vice-President

Management's Corrective Action Plan Year Ended June 30, 2023

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

Independent Public Accounting Firm: Thomas, Cunningham, Broadway & Todtenbier, CPA's
321 Bienville Street
Natchitoches, La 71457

Audit Period: July 1, 2022 to June 30, 2023

Findings in Accordance with Government Auditing Standards

Internal Control

2023-001 Segregation of Duties

Condition – In reviewing the internal control structure, we noted that some of the Student Activity Funds do not have adequate segregation of duties with respect to all areas of the accounting procedures.

Management's Response – The School Board continues to evaluate and strengthen procedures, as practical with limited staff, to provide adequate segregation of duties over accounting procedures related to School Activity Funds.

2023-002 Internal Control over Financial Reporting

Condition – In reviewing the internal control structure, we noted that the only financial statements regularly provided to the School Board members are budgetary comparisons. No balance sheet or cash report by fund is presented as part of the regular financial report. Accurate and current available cash and fund balances by fund are not readily available to management.

Management's Response – Management concurs with the auditor's observations and will evaluate the financial reporting process, including the capabilities of the software currently in use, to identify opportunities for improving the completeness, timeliness, and detail of financial information available to management and members of the board. Improvements to the financial reporting system necessary to provide management and the board with information necessary for sound financial management will be implemented as opportunities are identified.

Lee Waskom
Director

AGREED-UPON PROCEDURES

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**Independent Accountant’s Report on Applying
Performance Measures Agreed-Upon Procedures**

To the Natchitoches Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Natchitoches Parish School Board for the fiscal year ended June 30, 2023, 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 Natchitoches Parish School Board is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

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

Procedure Results: No exceptions were noted as a result of these procedures.

Class Size Characteristics (Schedule 2)

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

Procedure Results: No exceptions were noted as a result of these procedures.

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

- 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Public School Staff Data: Average Salaries (No Schedule)

- 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).

Procedure Results: No exceptions were noted as a result of these procedures.

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

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

December 21, 2023

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

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

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

Schedule 2 Class Size Characteristics

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

Natchitoches Parish School Board
Natchitoches, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources (Schedule 1)
For the Year Ended June 30, 2023

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 23,111,049	
Other Instructional Staff Activities	1,957,256	
Instructional Staff Employee Benefits	11,785,295	
Purchased Professional and Technical Services	664,195	
Instructional Materials and Supplies	371,161	
Instructional Equipment	191,054	
Total Teacher and Student Interaction Activities	\$ 38,080,010	
Other Instructional Activities		582,323
Pupil Support Activities	3,579,738	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	3,579,738	
Instructional Staff Services	2,255,874	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	2,255,874	
School Administration	4,273,268	
Less: Equipment for School Administration	-	
Net School Administration	4,273,268	
Total General Fund Instructional Expenditures (Total of Column B)		\$ 48,771,213
Total General Fund Equipment Expenditures		\$ 488,447
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 1,808,768
Renewable Ad Valorem Tax		2,722,881
Debt Service Ad Valorem Tax		2,401,161
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		177,591
Sales and Use Taxes		23,396,737
Total Local Taxation Revenue		\$ 30,507,138
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 1,020
Earnings from Other Real Property		166,711
Total Local Earnings on Investment in Real Property		\$ 167,731
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 65,130
Revenue Sharing - Other Taxes		112,131
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		166,782
Total State Revenue in Lieu of Taxes		\$ 344,043
Nonpublic Textbook Revenue		\$ -
Nonpublic Transportation Revenue		\$ -

Natchitoches Parish School Board
 Natchitoches, Louisiana
 Class Size Characteristics (Schedule 2)
 For the Year Ended June 30, 2023

School Type	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	83.1%	2,452	11.6%	506	5.3%	95	80.0%	3
Combination Activity Classes	76.1%	365	18.7%	76	3.7%	20	1.6%	8

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

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Natchitoches Parish School Board and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Natchitoches Parish School Board’s (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, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- **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 employee(s) rate of pay or approval and maintenance of pay rate schedules.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **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.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: Policies and Procedures do not address actions to be taken if an ethics violation occurs or monitoring procedures for possible ethics violations.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included quarterly budget-to-actual comparisons on the proprietary fund.
 - Obtained the prior year audit report and observed the unrestricted net position in the General Fund. If the General Fund had a negative ending unrestricted net position in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted net position in the General Fund.
 - Observed 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.

Procedure Results: The recorded minutes do not reflect that the board received written updates on the progress of resolving audit findings.

Bank Reconciliations

3. We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - 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.

Procedure Results: The bank reconciliations do not include written evidence that a member of management reviews the reconciliations.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - Employees that are responsible for cash collections do not share cash drawers/registers.
 - Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - 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. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was in force during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

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

Procedure Results: School Board employees that are responsible for cash collections do share cash drawers for various School Activity Funds. The General Account deposits were not made within one business day of receipt.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquired of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
 - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
 - We observed that the disbursement, whether 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.
 - We observed whether 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 procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved 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. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: The employees responsible for processing payments are not prohibited from modifying vendor files for various School Activity Funds. Disbursement documentation did not include evidence of segregation of duties for various School Activity Funds.

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

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
 - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results: No exceptions were noted as a result of these procedures.

Travel and Expense Reimbursement

15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8th bullet).
 - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted as a result of these procedures.

Contracts

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the

fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment, the document approval).
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: No exceptions were noted as a result of these procedures.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
 - We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - We observed that supervisors approved the attendance and leave of the selected employees or officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.
20. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedure Results: No exceptions were noted as a result of these procedures.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:

- We observed 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.
 - We observed 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. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: No exceptions were noted as a result of these procedures.

Debt Service

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

Procedure Results: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. We observed whether 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:
- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.

Procedure Results: We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

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

Procedure Results: No exceptions were noted as a result of these procedures.

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.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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Natchitoches, Louisiana

December 21, 2023

Natchitoches Parish School Board
Natchitoches, Louisiana
Management's Response to Exceptions
on Statewide Agreed-Upon Procedures
Year Ended June 30, 2023

Item 1: Exception – We identified exceptions related to policies and procedures involving ethics. The policies and procedures do not address actions to be taken if an ethics violation occurs or monitoring procedures for possible ethics violations.

Response – We will develop and adopt written policies and procedures for monitoring compliance and actions to be taken for violations of ethics requirements.

Item 2: Exception – The recorded minutes do not reflect that the board received written updates on the progress of resolving audit findings.

Response – Management will present regular written updates on the progress of resolving audit findings and will see that such written updates are documented in minutes of meetings.

Item 3: Exception – The bank reconciliations do not include written evidence that a member of management reviews the reconciliations.

Response – Effective immediately, the internal auditor will see that completed bank reconciliations are reviewed, initialed, and dated by the director of business affairs.

Item 5: Exception – The School Board employees that are responsible for cash collections do share cash drawers for various School Activity Funds.

Response – Where cash collections are required, we will make efforts to provide for separate cash drawers so employees are not sharing. Where practical, cashless collection procedures have and continue to be implemented.

Item 7: Exception – The General Account deposits were not made within one business day of receipt.

Response – Effective immediately, deposits will be made within one business day. Procedures will be established to provide a secondary employee to make deposits in the absence of the employee primarily responsible for making deposits.

Item 9: Exception – The employees responsible for processing payments are not prohibited from modifying vendor files for various School Activity Funds.

Response – Due to the limited staff size at the schools, ideal internal controls over School Activity Funds is not practical. As a mitigating control, all checks are signed by someone other than the person adding and modifying vendors. In addition, monthly reports, including the School Activity Fund bank reconciliation and details of transactions, are reviewed and approved by someone other than the person adding and editing vendor files.

Item 10: Exception – Disbursement documentation did not include evidence of segregation of duties for various School Activity Funds.

Response – Personnel involved with School Activity Funds at the schools where exceptions were noted will be notified by the internal auditor in writing of the deficiencies found and actions to be taken to properly document disbursements. The internal auditor will monitor the schools' corrective actions and provide support and training as necessary to resolve the deficiencies.