EISNERAMPER

Darrinisha L. Gray, Esq., SHRM-SCP
St. Charles Parish School Board
13855 River Road
Luling, LA 70070

RE: St. Charles Parish School Board Accounting Consulting Services

Dear Mrs. Gray,

EAG Gulf Coast, LLC has completed our analysis of the various St. Charles Parish School Board funds. The objective of this phase of the engagement was to analyze the activity within the Government Funds, studying inflows and outflows and the current accounting performed within the Funds and Fund Groups.

This engagement was conducted in accordance with the *Statements on Standards for Consulting Services*, established by the American Institute of Certified Public Accountants. Our procedures were not designed to detect fraud, or to constitute an audit, review, or compilation of the information provided. Accordingly, we will not express an opinion or conclusion nor provide any other form of assurance on the completeness and accuracy of the information. Additionally, the projection of any conclusions, based on our findings, to past or future periods is subject to the risk that changes may have occurred during the passage of time that may alter the validity of such conclusions.

EAG Gulf Coast, LLC appreciates the cooperation and assistance provided by the St. Charles Parish School Board's personnel during this engagement. We sincerely appreciate this opportunity to be of service to you. Please do not hesitate to contact us if you have any questions related to this report or any other matters.

Sincerely,
EAG Gulf Coast, LLC

Randy LeBeau

Randy LeBeau, CPA
Partner

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Date: April 13, 2026

Scope:

EAG Gulf Coast, LLC ("EA Group") was engaged to provide Accounting Consulting Services to St. Charles Parish School Board (the "School Board") for the following tasks:

- Phase I - EA Group will collaborate with the School Board to analyze and reconcile cash balances. Phase I has been completed and previously presented.
- Phase II - EA Group will collaborate with the School Board to determine the current fund balances.
- Phase III - EA Group will evaluate and analyze current and forecasted revenue estimations related to inflows.

Phase II Executive Summary

Based on our analysis, (i) current cash management and fund accounting practices are contributing to General Fund liquidity pressure by routing substantially all expenditures through the General Fund, (ii) Capital Project expenditures have materially exceeded the annual budget after only seven months, representing a significant budget control issue, (iii) the Board-approved budget was not entered into the accounting system in a manner that supports interim monitoring, and (iv) payroll and self-insurance accounting processes limit management's ability to assess fund-level performance and cash exposure. These practices potentially understate the true cash positions of the Special Revenue, Debt Service, Internal Service, and Capital Projects Funds. Corrective action is recommended to strengthen financial oversight and governance.

In the course of work, we discovered weaknesses in internal controls over specific processes as identified around the cash reconciliations and budgetary processes. We believe these weaknesses led to a lack of transparency regarding the true cash position and the budget shortfalls. Our findings did not indicate potential misappropriation of funds, and we did not expand our scope related to potential misappropriation of funds.

Purpose, Scope, and Standards

Purpose: Assess the various Funds: General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds and Self-Insurance Fund for budgetary variances, accounting details, and cash sources and uses within them. Also, to provide key observations and recommendations related to fund structure, financial reporting, and operational transparency.



Standards: Services performed in accordance with the AICPA Consulting Services Standards. This engagement was not an audit, review, or compilation; no assurance is provided.

Scope: Phase II focused identifying all Funds and their purposes, analyzing cash inflows and outflows within each Fund,, and evaluating current accounting practices. EA Group had access to General Ledger activity by transaction for the period from January 1, 2025, through January 31, 2026, as well as Balance Sheets as of June 30, 2025, and December 31, 2025.

Procedures Performed

EA Group performed the following procedures: (1) obtained General Ledger activity data for the period January 1, 2025 through January 31, 2026; (2) grouped accounts and funds to align with the presentation in the Board-approved 2026 Budget and compared actual results to budgeted amounts, noting variances; and (3) analyzed General Ledger activity on a fund-by-fund basis to evaluate cash flows, intercompany transactions, and budget-to-actual variances

Key Observations

General Fund Cash Usage
The St. Charles Parish School Board (SCPSB) is running substantially all of its cash through a single pooled bank account. Cash inflows and outflows are managed through the General Fund. Material reclassifications between the Funds are made through journal entries at year-end to align the various funds with the full year's activity. This practice is inconsistent with the intended purpose of Special Revenue Funds, which is to separately track legally or administratively restricted resources and related expenditures.

Budget Process and Budgetary Control
The Board-approved budget was not entered into the accounting system for monthly or even quarterly amounts, but as one lump annual amount, making the variances more difficult to evaluate. Also, the budget amounts were changed within the system, so that they no longer matched the overall approved budget figures.

With the individual Funds being run through the General Fund, and the method used to account for the budget, individual Funds cannot be properly evaluated or reported outside of the annual reporting period. Timely management information needed for proper governance was not being measured at interim periods.

Budget Committee Reporting
To support effective oversight, the Budget Committee should receive consistent, periodic reporting that compares budgeted amounts to actual results. Regular review of these reports is necessary to identify unfavorable trends early and support timely corrective action.



Overall Budget Variance

For the historical period analyzed, cash outflows exceeded the budgeted amounts, however, it has been difficult to identify the drivers of the shortfall. Capital Project Funds' costs surpassed their budgeted amounts, pulling additional funds from the General Fund.

However, based on current accounting practices, it is difficult to isolate all contributors to the overall budget shortfall. Our analysis suggests that payroll-related costs are a significant factor, but the lack of clear fund-level cash settlement limits visibility into which funds are contributing to the variance.

Cash Reconciliations by Fund

Pooling of Funds within one bank account may be acceptable for unrestricted Government Funds. However, under this cash management system, cash balances should be reconciled both from the bank statement to the General Ledger, and then down to the Fund level within the General Ledger. This is not currently being done.

Payroll Wages and Cash Impact

For all the Funds with payroll costs (other than the General Fund) the impact of Payroll is hidden. There is a portion of the Fund's payroll cash that is pulled from the General Fund rather than the correct Fund. While the impact of this is recorded on the Fund as an intercompany liability, it would be better to have the cash settled by fund and reconciled by fund in the payroll cash reconciliation process.

Correcting this will reveal the true fund-level liquidity during the year, simplifying the monitoring process for each Fund. Proper monitoring and managing costs, particularly for funds with restricted cash, is essential.

Self-Insurance Fund

The current accounting approach for the Self-Insurance Fund is masking the Fund's actual performance (i.e. are claims exceeding contributions). This is problematic for a few reasons:

- A portion of these contributions consist of employee payroll withholdings earmarked to cover insurance claims. Best practice is to immediately segregate those funds from the general operating fund.
- The current process is not measuring the actual claims paid against the projected amounts determined at the beginning of the year. One cannot anticipate the need for additional claims funding without this information.

We recommend modifying the accounting process for the Self-Insurance Fund to better understand any potential cash exposure from processing claims. We also recommend funding the Self-Insurance Cash Account each payroll cycle.

Budget to Actual Results – First Six Months

Key variances noted from our comparison of the Board-approved FY25-26 Budget to July 2025 – December 2025 actual records.

- **Property tax revenue** – shortfall of $11.5 million
- **Capital Projects Fund** – expenditures – over by $12 million
- **General Fund** - revenues down $4.3 million; Expenditures up $4.6 million. Total shortfall $8.9 million.
- **Special Revenue Funds and Lunch Fund** – actual variances not material

General Fund

Below is a chart by month of the intercompany activity summarized. Note that the activity is moving the cash funding responsibility to the General Fund rather than letting the cash settle with the Fund. In the table below, positive balances represent interfund receivables and negative balances represent interfund payables.

The Goldenrod highlighting represents year-end, where reclassifications are made to each fund, bringing them to a compliant state by year-end. For all the other months the General Fund is drained of its true cash position and the other funds have overstated cash positions.

GL Acct Grouping	(Multiple Items)	Interfund Accounts (18 & 28)				
Sum of Dr (Cr)	Column Labels					
Row Labels	Capital Projects	Debt Service	General	Lunch	Special Revenues	Grand Total
2025-01	(364,193.19)		1,289,664.00	(400,496.50)	(524,974.31)	0.00
2025-02	(354,483.74)		1,258,737.76	(389,751.87)	(514,502.15)	0.00
2025-03	(345,933.42)		1,249,069.06	(395,998.78)	(507,136.86)	0.00
2025-04	(355,862.16)		1,260,592.13	(395,576.84)	(509,153.13)	0.00
2025-05	(358,505.45)		1,309,578.66	(396,296.34)	(554,776.87)	0.00
2025-06	3,962,995.22	(550.00)	(21,260,602.14)	3,701,693.10	12,571,428.85	(1,025,034.97)
2025-07	(327,556.69)		915,350.50	(217,673.70)	(370,120.11)	0.00
2025-08	(374,822.01)		963,389.24	(229,893.49)	(358,673.74)	0.00
2025-09	(391,562.75)		1,330,496.25	(426,862.29)	(512,071.21)	0.00
2025-10	(382,741.77)		1,338,440.58	(425,757.00)	(529,941.81)	0.00
2025-11	(358,822.75)		1,298,982.85	(428,201.19)	(511,958.91)	0.00
2025-12	(354,606.86)		1,320,264.54	(420,832.07)	(544,825.61)	0.00
2026-01	(363,996.38)		1,793,839.35	(419,422.00)	(510,420.97)	500,000.00
Grand Total	(370,091.95)	(550.00)	(5,932,197.22)	(845,068.97)	6,622,873.17	(525,034.97)

Capital Projects Funds

For Fiscal Year 2026, major capital projects were budgeted. While the Capital Projects Fund is supported by $14 million from various sources, the School Board planned to use unrestricted cash reserves of an additional $12 million to cover budgeted project costs, totaling $25 million. After seven (7) months the actual costs totaled $28 million. At the current run rate, actual expenditures have already exceeded the full-year budget with five (5) months remaining. This is a material budget control issue, especially when dealing with ongoing construction contracts.

EA Group noted that payroll is included in this Fund. We recommend that for project management purposes employee payroll be removed from this Fund. It could be maintained in a separate Maintenance Fund.

Also, we recommend periodic reporting be required for all Capital Projects. At a minimum, each project should report:

- Approved Total Budget of Project
- Current costs incurred to date
- Projected costs to complete.

Self-Insurance Fund

EA Group recommends some changes to the accounting for the Self-Insurance Fund to make it easier to see its activity.

- Payroll withholdings and employer portion of insurance coverage should be funded by transferring cash from Payroll Cash to the Self-Insurance Cash Account each pay period.
- Claims payments should be recorded by reducing the related liability and Self-Insurance Cash.
- Any cash shortfalls (after funding from above) should be addressed through clearly identified transfers from the General Fund, allowing deficit balances to indicate claims experience exceeding actuarial expectations.

Special Revenue Funds

Special Revenue Funds appear generally self-sufficient; however, this is not easily identifiable under current accounting practices. EA Group was not able to confirm that cash associated with each Fund is being reported correctly. We noted that payroll cash is not settled through the Fund (in total) and that the pooled bank account is not being reconciled at the fund level.

Also, with reclassifications happening at year-end, it is difficult to know if the fund was operated in compliance with its regulations and restrictions throughout the year. There would be difficulty demonstrating compliance, if a study of the records did not incorporate the year-end reclassifications.

Fund Balances by Fund

The table below shows the Fund Balance by Fund (General, Capital, Debt, etc.). Some funds below have not had any activity during FY2026 and several funds have increased their balances during FY2026. These funds should be evaluated to determine if they are restricted, and if they are not, consideration should be given to returning the funds to the General Fund.

Fund Cod	Fund Name	7.01.25	12.31.25	Change in Net Position
001	GENERAL FUND	80,853,826.56	13,735,623.85	-67,118,202.71
002	CONSTRUCTION FUND	-107,288.53	-15,816,290.64	-15,709,002.11
003	CAPITAL PROJECTS FUND #1 - Not currently in use	4,043,425.09	1,064,002.66	-2,979,422.43
004	CAPITAL PROJECTS FUND #2 - Sales Tax Bond Projects	1,638,125.91	1,620,452.25	-17,673.66
005	SINKING FUND #1 - GO Bonds Repayments	9,784,436.54	8,624,603.19	-1,159,833.35
006	SINKING FUND #3 - Sales Tax Bond Repayments	-859,850.00	-303,074.00	556,776.00
007	SALES TAX BOND RESERVE- Not currently in use	0.00	0.00	0.00
009	SINKING FUND #4 - Not currently in use	0.00	0.00	0.00
011	SELF INSURANCE FUND	359,926.62	153,481.51	-206,445.11
020	CHILD NUTRITION	1,046,898.48	2,600,513.99	1,553,615.51
023	E-RATE GRANT	0.00	0.00	0.00
025	IDEA PART B	-17,354.21	692,617.49	709,971.70
029	IDEA PRESCHOOL	-144.62	23,091.30	23,235.92
042	HEADSTART	-51,601.33	830,467.47	882,068.80
051	LA 4-STATE FUNDS	0.00	33,374.72	33,374.72
057	TITLE I	-20,889.10	960,245.89	981,134.99
058	TITLE II	-1,244.34	134,022.70	135,267.04
059	TITLE IV	-1,575.56	-7,535.38	-5,959.82
060	TITLE III	0.00	-13,634.54	-13,634.54
061	IMMIGRANTS	0.00	0.00	0.00
084	8-G STUDENT ENHANCE	0.00	49,242.66	49,242.66
100	ENGINEERING CORP.GRANT	82,067.94	82,067.94	0.00
152	EDUCATION EXCELLENCE FUND-Tobacco	224,105.17	194,212.87	-29,892.30
184	CARL PERKINS	0.00	-88,717.00	-88,717.00
185	APACHE	9,376.03	9,376.03	0.00
187	PROJECT LEAD THE WAY	17,316.58	17,316.58	0.00
200	MOTIVA WETLANDS GRANT	52,653.56	52,653.56	0.00
283	STUDENT TEACHER GRANT	0.00	27,846.00	27,846.00
290	HURRICANE IDA DONATIONS	1,537.90	1,537.90	0.00
316	DISASTER RECOVERY	0.00	512,817.44	512,817.44
317	SHUTTERED VENUE OPERATORS GRANT	0.00	42,343.50	42,343.50
320	POLICY RESEARCH ASSOC.	6,568.55	6,568.55	0.00
325	TEACHING & LEARNING GRANT - CORPORATE	161,882.44	269,509.69	107,627.25
335	VALERO BENEFIT FOR CHILDREN	37,050.95	37,050.95	0.00
407	HIGH COST STATE	0.00	0.00	0.00
409	ECCNP LEAD AGENCIES - STATE	-329.84	15,265.92	15,595.76
410	SUPPLEMENTAL COST ALLOCATION	55,969.47	-144,714.87	-200,684.34
412	EARLY CHILDHOOD ANCILLARY	130,139.99	0.00	-130,139.99
413	CAREER DEVELOPMENT MFP FUND	177,807.61	244,019.21	66,211.60
415	COVID SUB GRANT	0.00	6,313.47	6,313.47
417	B-3 SEATS GRANT	315,620.15	315,652.65	32.50
501	EARLY CHILDHOOD CLSD B-5	0.00	0.00	0.00
507	HIGH COST SERVICES - FEDERAL	0.00	0.00	0.00
514	SCHOOL REDESIGN	0.00	7,100.00	7,100.00
515	DIRECT STUDENT SERVICES GRANT	0.00	0.00	0.00
516	CLSD K-5 GRANT	0.00	11,289.98	11,289.98
517	CLSD 9-12 GRANT	0.00	0.00	0.00
518	MCKINNEY VENTO	0.00	0.00	0.00
519	LOUISIANA SCHOOL SECURITY GRANT	0.00	-457,093.37	-457,093.37
520		0.00	28,516.64	28,516.64
601	ETHEL SCHOEFFNER TRUST FUND	152,591.21	154,892.71	2,301.50
602	LPAC ENDOWMENT FUND	6,010,644.16	6,276,061.53	265,417.37
Total		**104,101,693.38**	**22,003,093.00**	**-82,098,600.38**

Summary of the Key Recommendations

- **Implement fund-level cash settlement practices** to ensure that legally or administratively restricted resources are recorded, funded, and monitored within their respective funds throughout the year—not solely through year-end reclassifications.
- **Reduce reliance on the General Fund as a cash clearing mechanism** by funding expenditures, particularly payroll and operating costs, directly from the appropriate funds to reflect true fund-level liquidity.
- **Improve budgetary controls** by entering Board-approved budgets into the accounting system on a monthly or quarterly basis and preventing in-system budget modifications that obscure approved totals.
- **Provide regular budget-to-actual reporting** to management and the Budget Committee to enable timely identification of variances and emerging financial trends.
- **Perform cash reconciliations at both the bank and fund level**, including reconciliation of pooled cash balances down to individual funds, to support accuracy and transparency in reported cash positions.
- **Revise payroll accounting practices** so payroll cash is settled by fund each pay cycle rather than funded centrally by the General Fund with interfund liabilities.
- **Restructure Self-Insurance Fund accounting** to segregate payroll withholdings and employer contributions into a dedicated Self-Insurance cash account and to clearly measure claims activity against funded contributions and actuarial expectations.
- **Enhance Capital Projects oversight** by excluding payroll from project costs and requiring periodic project-level reporting, including approved budgets, costs incurred to date, and estimated costs to complete.

Management Response to Key Recommendations

- **Implement fund-level cash settlement practices** to ensure that legally or administratively restricted resources are recorded, funded, and monitored within their respective funds throughout the year—not solely through year-end reclassifications.

- We agree that additional changes are necessary for fund management purposes, which include timely reconciliation. Additional procedures regarding timeliness will be implemented for fiscal 2026-2027, starting July 1, and going forward.

- **Reduce reliance on the General Fund as a cash clearing mechanism** by funding expenditures, particularly payroll and operating costs, directly from the appropriate funds to reflect true fund-level liquidity.



- Additional procedures and changes will be implemented regarding the separation of key funds from the currently instituted pooled cash system. This includes the creation of an additional cash account for bond sinking funds to ensure compliance with restrictions for future payment timelines.

- **Improve budgetary controls** by entering Board-approved budgets into the accounting system on a monthly or quarterly basis and preventing in-system budget modifications that obscure approved totals.
- As a part of the budget process, additional procedures and controls were implemented wherein the system input of all approved budget amounts will occur in a timely manner. These procedure updates ensure that discussions of anticipated funding models as well as projections for salaries and benefits, major capital expenditures, and other recurring or functional expenditures are documented.

- **Provide regular budget-to-actual reporting** to management and the Budget Committee to enable timely identification of variances and emerging financial trends.
- Given the changes in reporting responsibilities during the interim period, there were instances where the Budget to Actual reporting process was interrupted. Procedures are already underway to resume this process on a more regular (monthly) schedule.

- **Perform cash reconciliations at both the bank and fund level**, including reconciliation of pooled cash balances down to individual funds, to support accuracy and transparency in reported cash positions.
- Similar to the above, noting the timeliness of cash settlement and fund expenditures, additional procedures will be implemented for fiscal 2026-2027 and going forward.

- **Revise payroll accounting practices** so payroll cash is settled by fund each pay cycle rather than funded centrally by the General Fund with interfund liabilities.
- Currently, this is done annually as a part of year-end. We can implement this more frequently.

- **Restructure Self-Insurance Fund accounting** to segregate payroll withholdings and employer contributions into a dedicated Self-Insurance cash account and to clearly measure claims activity against funded contributions and actuarial expectations.
- We will make these changes which will mean no adjustments to the payroll journal entry crediting Self-Insurance liability. The Self-Insurance liability will be reduced as claims are paid out of the bank account.

- **Enhance Capital Projects oversight** by excluding payroll from project costs and requiring periodic project-level reporting, including approved budgets, costs incurred to date, and estimated costs to complete.

- We agree that additional changes are necessary for the capital projects oversight process, including additional project-level reporting. We will work with our internal documentation to ensure this recommendation is implemented. We will review the consideration of excluding payroll costs from the Capital Projects and Construction funds, but this may also have additional effects on the general fund balance going forward.



Limitations of Procedures

These consulting procedures were not designed to detect fraud and do not provide assurance. Information was based on records and schedules provided by the School Board; we did not audit or independently verify all underlying transactions.