



ST. JAMES PARISH SCHOOLS

Inspiring Hope and Purpose

FINANCIAL REPORT
As of and For the Year Ended June 30, 2022

ST. JAMES PARISH SCHOOL BOARD
LUTCHER, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Ms. Kelly Morton Cook, Interim Superintendent,
and Members of the St. James Parish School Board
Lutcher, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. James Parish School Board (hereinafter, "School Board"), as of and for the year ended June 30, 2022, 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, 2022, 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. 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.

Change in Accounting Principle

As described in Part III, Note F, the School Board implemented new accounting guidance, Government Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 budgetary comparison information, schedule of changes in OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining nonmajor governmental fund financial statements, comparative statements, schedule of compensation paid to school board members, and schedule of compensation, benefits, and other payments to the superintendent but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 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 the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 30, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

STATEMENT OF NET POSITION

As of June 30, 2022

ASSETS	
Cash and Cash Equivalents	\$ 36,426,685
Receivables	6,161,606
Inventory	135,768
Other Assets	154,230
Capital Assets:	
Land	2,402,231
Buildings and Equipment, Net of Accumulated Depreciation/Amortization	<u>102,096,016</u>
Total Assets	<u>147,376,536</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension Liability	10,615,092
Deferred Outflows Related to Other Post-Employment Benefits	18,097,205
Deferred Amount on Refunding Bond Issue	<u>4,066,160</u>
Total Deferred Outflows of Resources	<u>32,778,457</u>
LIABILITIES	
Accounts, Salaries, and Other Payables	5,918,218
Interest Payable	560,394
Long-term Liabilities:	
Due Within One Year:	
Compensated Absences Payable	123,179
Judgments Payable	100,285
Bonds and Notes Payable	1,163,556
Lease Liability	235,291
Due in More Than One Year:	
Compensated Absences Payable	1,929,806
Judgments Payable	350,997
Bonds and Notes Payable	91,594,999
Lease Liability	419,072
Net Pension Liability	30,631,754
Other Post-Employment Benefits	<u>77,135,077</u>
Total Liabilities	<u>210,162,628</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension Liability	24,215,329
Deferred Inflows Related to Other Post-Employment Benefits	<u>31,309,185</u>
Total Deferred Inflows of Resources	<u>55,524,514</u>
NET POSITION	
Net Investment in Capital Assets	43,428,448
Restricted for:	
School Food Service	437,411
School Activities	1,056,738
Debt Service	2,886,587
Unrestricted (deficit)	<u>(133,341,333)</u>
Total net position (deficit)	<u>\$ (85,532,149)</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
Regular Programs	\$ 17,383,461	\$ -	\$ 5,458,466	\$ (11,924,995)
Special Programs	4,421,267	-	1,128,145	(3,293,122)
Vocational Programs	747,229	-	345,692	(401,537)
All Other Programs	4,857,933	89,740	4,527,662	(240,531)
Support Services:				
Pupil Support	3,742,591	-	22,887	(3,719,704)
Instructional Staff Support	2,435,653	-	289,617	(2,146,036)
General Administration	2,462,139	-	19,502	(2,442,637)
School Administration	7,873,707	-	19,688	(7,854,019)
Business Services	698,594	-	3,279	(695,315)
Plant Services	17,377,017	-	129,865	(17,247,152)
Pupil Transportation	4,741,305	-	3,494	(4,737,811)
Central Services	1,373,697	-	3,758	(1,369,939)
Food Services	2,906,009	48,595	2,642,953	(214,461)
Community Services	145,664	-	-	(145,664)
Interest on Long-Term Debt	1,183,328	-	-	(1,183,328)
Total Governmental Activities	\$ 72,349,594	\$ 138,335	\$ 14,595,008	\$ (57,616,251)
General Revenues				
Taxes:				
				26,721,610
				4,348,375
				17,704,692
Grants and contributions not restricted to specific purposes:				
				10,126,925
				498,648
				2,093,203
			Total General Revenues	61,495,361
				3,879,110
				(89,411,259)
				\$ (85,532,149)

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

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

General Fund

The School Board's primary operating fund. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

COVID-19 Relief Fund

This fund is used to account for federal dollars received and expended as financial relief for public school systems in response to the Novel Coronavirus pandemic.

Hurricane Ida Fund

This fund is used to account for the proceeds of Hurricane Recovery Revenue Notes, Series 2022 and related project costs.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet

As of June 30, 2022

	MAJOR FUNDS				TOTALS
	General	COVID-19 Relief	Hurricane Ida	Other Nonmajor Governmental	
ASSETS					
Cash and Cash Equivalents	\$ 9,524,704	\$ -	\$ 22,471,585	\$ 4,430,396	\$ 36,426,685
Due From Other Governments	1,667,245	2,130,022	128,350	2,235,989	6,161,606
Interfund Receivables	4,032,467	-	-	-	4,032,467
Inventory	-	-	-	135,768	135,768
Other Assets	154,230	-	-	-	154,230
Total Assets	\$ 15,378,646	\$ 2,130,022	\$ 22,599,935	\$ 6,802,153	\$ 46,910,756
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts and Other Payables	\$ 1,126,347	\$ 94,388	\$ 1,084,832	\$ 21,547	\$ 2,327,114
Salaries Payables	3,323,835	118,465	-	148,804	3,591,104
Interfund Payables	-	1,917,169	-	2,115,298	4,032,467
Total Liabilities	4,450,182	2,130,022	1,084,832	2,285,649	9,950,685
Deferred Inflows of Resources:					
Unavailable Revenues	1,510,000	2,130,022	-	-	3,640,022
Fund Balances:					
Nonspendable	154,230	-	-	135,768	289,998
Restricted for:					
School Food Service	-	-	-	437,411	437,411
School Activities	-	-	-	1,056,738	1,056,738
Capital Project Fund	-	-	21,515,103	-	21,515,103
Debt Service	-	-	-	2,886,587	2,886,587
Committed - Self-Insurances	3,838,478	-	-	-	3,838,478
Unassigned (deficit)	5,425,756	(2,130,022)	-	-	3,295,734
Total Fund Balances (deficit)	9,418,464	(2,130,022)	21,515,103	4,516,504	33,320,049
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
	\$ 15,378,646	\$ 2,130,022	\$ 22,599,935	\$ 6,802,153	\$ 46,910,756

(continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet (continued)

As of June 30, 2022

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balances at June 30, 2022 - Governmental Funds		\$ 33,320,049
Cost of capital assets at June 30, 2022	\$ 162,280,449	
Less: Accumulated Depreciation/Amortization as of June 30, 2022:		
Buildings	(51,172,280)	
Furniture, Fixtures, and Equipment	<u>(6,609,922)</u>	
		104,498,247
Deferred Amount on Refunding Bond Issue		4,066,160
Long-Term Liabilities at June 30, 2022:		
Compensated Absences Payable	(2,052,985)	
Judgments	(451,282)	
Long-Term Debt	(92,758,555)	
Accrued Interest Payable	(560,394)	
Lease Liability	(654,363)	
Other Post-Employment Benefits	(77,135,077)	
Net Pension Liability	<u>(30,631,754)</u>	
		(204,244,410)
Deferred Inflows and Deferred Outflows of Resources:		
Deferred Amounts Related to Pension Liability	(13,600,237)	
Deferred Amounts Related to Other Post Employment Benefits	(13,211,980)	
Deferred Amounts Related to Unavailable Revenues	<u>3,640,022</u>	
		<u>(23,172,195)</u>
NET POSITION - Governmental Activities		<u>\$ (85,532,149)</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	MAJOR FUNDS				TOTALS
	General	COVID-19 Relief	Hurricane Ida	Other Nonmajor Governmental	
REVENUES					
Local Sources:					
Taxes: Ad Valorem	\$ 26,721,610	\$ -	\$ -	\$ 4,348,375	\$ 31,069,985
Sales and Use	17,704,692	-	-	-	17,704,692
Charges for Services	89,740	-	-	48,595	138,335
Interest Earnings	641	-	-	-	641
Other	508,938	-	-	1,226,323	1,735,261
Total Local Sources	<u>45,025,621</u>	<u>-</u>	<u>-</u>	<u>5,623,293</u>	<u>50,648,914</u>
State Sources:					
Minimum Foundation Program	10,421,638	-	-	-	10,421,638
Other	541,077	-	-	-	541,077
Total State Sources	<u>10,962,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,962,715</u>
Federal Sources	<u>85,580</u>	<u>1,667,063</u>	<u>128,350</u>	<u>7,198,020</u>	<u>9,079,013</u>
Total Revenues	<u>56,073,916</u>	<u>1,667,063</u>	<u>128,350</u>	<u>12,821,313</u>	<u>70,690,642</u>
EXPENDITURES					
Current:					
Instruction:					
Regular Programs	20,229,934	364,199	71,974	363,078	21,029,185
Special Programs	4,727,642	47,245	-	519,293	5,294,180
Vocational Programs	803,476	-	100,812	64,376	968,664
All Other Programs	2,851,909	50,000	-	2,614,402	5,516,311
Support Services:					
Pupil Support	3,820,715	78,022	-	503,158	4,401,895
Instructional Staff Support	1,918,980	425	-	835,899	2,755,304
General Administration	3,111,570	-	177,275	139,054	3,427,899
School Administration	4,047,687	-	-	-	4,047,687
Business Services	681,710	-	2,452	38,232	722,394
Plant Services	5,716,999	31,111	10,318,406	80,704	16,147,220
Pupil Transportation	4,417,334	68,893	-	19,675	4,505,902
Central Services	1,401,798	-	-	-	1,401,798
Food Services	15,276	-	-	3,111,966	3,127,242
Community Services	60,000	-	-	18,616	78,616
Capital Outlay	71,612	2,194,605	-	27,843	2,294,060
Debt Service:					
Principal Retirement	463,409	-	-	1,077,331	1,540,740
Interest and Bank Charges	28,492	-	-	1,089,173	1,117,665
Issuance Costs	-	-	-	1,264,735	1,264,735
Total Expenditures	<u>54,368,543</u>	<u>2,834,500</u>	<u>10,670,919</u>	<u>11,767,535</u>	<u>79,641,497</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Year Ended June 30, 2022

	MAJOR FUNDS			Other Nonmajor Governmental	TOTALS
	General	COVID-19 Relief	Hurricane Ida		
Excess (Deficiency) of Revenues Over Expenditures	<u>1,705,373</u>	<u>(1,167,437)</u>	<u>(10,542,569)</u>	<u>1,053,778</u>	<u>(8,950,855)</u>
Other Financing Sources (Uses):					
Insurance Proceeds	35,531	-	2,057,672	-	2,093,203
Payment to Refunded Bond Escrow Agent	-	-	-	(58,521,113)	(58,521,113)
Redemption of Principal	-	-	-	(6,875,000)	(6,875,000)
Proceeds From Issuance of Debt:					
Notes Payable	-	-	30,000,000	-	30,000,000
General Obligation Refunding Bonds	-	-	-	61,730,000	61,730,000
Transfers In	795,105	-	-	196,730	991,835
Transfers Out	<u>(196,730)</u>	<u>(526,795)</u>	<u>-</u>	<u>(268,310)</u>	<u>(991,835)</u>
Total Other Financing Sources (uses)	<u>633,906</u>	<u>(526,795)</u>	<u>32,057,672</u>	<u>(3,737,693)</u>	<u>28,427,090</u>
Net Changes in Fund Balances	2,339,279	(1,694,232)	21,515,103	(2,683,915)	19,476,235
Fund Balances (Deficit), Beginning	<u>7,079,185</u>	<u>(435,790)</u>	<u>-</u>	<u>7,200,419</u>	<u>13,843,814</u>
Fund Balances (Deficit), Ending	<u>\$ 9,418,464</u>	<u>\$ (2,130,022)</u>	<u>\$ 21,515,103</u>	<u>\$ 4,516,504</u>	<u>\$ 33,320,049</u>

(continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS Statement of Revenues, Expenditures and Changes in Fund Balances (continued) For the Year Ended June 30, 2022

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Total Net Changes in Fund Balances for the year ended June 30, 2022		\$ 19,476,235
Capital Assets:		
Capital Outlay Capitalized	2,294,060	
Depreciation/Amortization Expense	<u>(6,239,586)</u>	(3,945,526)
Excess of Interest Paid over Interest Accrued		126,946
Change in Net Pension Liability and Deferred Inflows / Outflows of Resources		9,007,291
Change in OPEB Obligations and Deferred Inflows / Outflows of Resources		(726,597)
Long-Term Liabilities:		
Change in Compensated Absences	108,740	
Change in Judgements Payable	900,142	
Principal Portion of Lease Liability	233,246	
Principal Portion of Debt Service Payments	8,886,604	
Change in Estimate - Debt Principal	91,002	
Amortization of Deferred Amount on Refunding Bond Issue	<u>(274,318)</u>	9,945,416
Proceeds from issuance of debt		(91,730,000)
Payment to refunded bond escrow agent for the retirement of bond principal and interest		58,521,113
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		<u>3,204,232</u>
CHANGE IN NET POSITION - Governmental Activities		<u>\$ 3,879,110</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

FIDUCIARY ACTIVITIES Statement of Fiduciary Net Position As of June 30, 2022

	<u>Custodial Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>786,719</u>
LIABILITIES	
Due to Local Governments	\$ 592,217
Refund Payables	<u>194,502</u>
Total Liabilities	<u>\$ 786,719</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

FIDUCIARY ACTIVITIES
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Custodial Fund</u>
ADDITIONS:	
Pro Rata Collection Expenses	\$ 128,945
Sales and Occupancy Tax Collections	<u>25,474,578</u>
Total additions	<u>25,603,523</u>
REDUCTIONS:	
Administrative Expense	151,234
Refunds	339,327
Payments of Sales Tax to Taxing Bodies	<u>25,112,962</u>
Total reductions	<u>25,603,523</u>
Change in Net Position	<u>\$ -</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The St. James Parish School Board (School Board) is a political subdivision of the State of Louisiana. It was created by Louisiana Statutes Annotated Revised Statute (LSA-R.S.) 17:51 to provide public education for the children of St. James Parish. The School Board is authorized by LSA-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 composed of seven members elected concurrently from seven single-member districts for terms of four years. The terms of the current Board members expire on December 31, 2022.

The School Board operated six schools, one educational site, a Central Office, and two support facilities within the Parish and served an average enrollment of 3,474 students. In conjunction with the regular educational programs, all or some schools offer special education and vocational education instructional services. The School Board also operates an Alternative Center, which serves those students that opt for this educational opportunity in lieu of expulsion from the system. In addition to these educational services, the School Board provides transportation and food service for its students.

B. Basis of Presentation

The financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America 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 GASB has issued its *Codification of Governmental Accounting and Financial Reporting Standards* dated June 30, 2002. This Codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments in the United States. This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999, as amended.

C. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and component units, which should be included within the reporting entity. Under provisions of this section, the School Board is considered a *primary government* since it is a single purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Codification Section 2100, the term “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 has no *component units*, defined by GASB Section 2100 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.

D. Government-Wide and Fund Financial Statements

Under GASB Statement No. 34, the government-wide financial statements (i.e. the statements of net position and the statement of activities) report information on all the non-fiduciary activities of the School Board. The interfund activity that results in duplicate reporting of the source or use of resources has been eliminated in the consolidation process. Operational interfund activity, including any services provided or used, has not been eliminated in consolidation. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a given function, and 2) grants restricted to meeting the operational or capital requirements of a particular function. Taxes or other items not included among program revenues are reported as *general revenues*. Separate financial statements are provided for the governmental funds and the fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School Board implemented Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the 2011 fiscal year. GASB Statement 54 requires that governmental fund balances must be reported in as many as five classifications. 1) *Nonspendable* – permanently nonspendable balances that are not expected to be converted to cash. 2) *Restricted* – balances where constraints have been established by parties outside of the School Board or by enabling legislation. 3) *Committed* – Balances constrained by formal action of the School Board; i.e. adoption of a resolution. Modification or rescission of Board action committing the funds would likewise require Board adoption of a resolution decommitting the funds. 4) *Assigned* – Balances where informal constraints have been established by the School Board or the Superintendent acting under the authority of a Board resolution. 5) *Unassigned* – Balances for which there are no constraints. When both restricted and unrestricted resources are available for use, the School Board’s practice is to use restricted resources first, then unrestricted resources as necessary. When committed, assigned, and unassigned amounts are available for use, the School Board’s policy is to utilize committed, then assigned, then unassigned balances.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use taxes are recognized as revenues when collected. Grants and similar items, including the state Minimum Foundation Program (MFP) distribution are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Board considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, sales and use taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available when cash has been received by the School Board.

The School Board reports the following *major funds*:

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

The **COVID-19 Relief Fund** is used to account for federal dollars received and expended as financial relief for public school systems in response to the Novel Corona Virus pandemic.

The **Hurricane Ida Fund** is used to account for the proceeds of Hurricane Recovery Revenue Notes, Series 2022 and related project costs.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Nonmajor governmental funds include: 1) Special Revenue Funds that account for the School Board's other federal grant programs, the School Food Service program that is funded with a combination of federal grants, user charges, and a subsidy transfer from the General Fund, and School Activities that are funded by student groups and other support for cocurricular and extracurricular student activities, and 2) the Debt Service Fund.

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

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

The custodial funds reported consist of the School Board's sales and use tax department. This fund accounts for collections and disbursements of sales and use tax to the taxing bodies in the parish. The Sales and Use Tax Department is housed in the School Board's Central Office. While tax collection and distribution activities are reported in the fiduciary fund, all other administrative departmental financial activity is reported in the School Board's General Fund.

F. Assets, Liabilities, and Net Position or Fund Balance

1) Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, interest-bearing demand deposits, and short-term investments (usually time certificates of deposit), including investments in the Louisiana Asset Management Pool (LAMP). All of these cited instruments are considered cash equivalents, as long as their original maturities are of three months or less from the date of acquisition. Also, certificates of deposit having a maturity date in excess of three months are considered cash equivalents if they are covered by federal deposit insurance.

Statutes authorize the School Board to invest in fully collateralized certificates of deposit issued by qualified commercial banks, federal credit unions, or savings and loan associations located in Louisiana, direct obligations of the United States government, or repurchase agreements made with 36 select dealers regulated by the Federal Reserve Bank of New York. The School Board is also authorized to invest in LAMP, a non-profit corporation organized under state law and operated by the State Treasurer as a local government investment pool. LAMP investments may be liquidated at any time at par and therefore the cost of LAMP investments are the fair value of the investments.

2) Receivables and Payables

Activity between funds that indicates lending or borrowing arrangements outstanding at the end of the fiscal year is referred to as "Interfund Receivables / Payables". There is an assumed obligation on the part of the borrowing fund to repay that amount to the lending fund.

3) Ad Valorem Taxes

Ad valorem (property) taxes were levied by the School Board in August of 2021, based on assessed valuation of property as of January 1, 2021. These taxes become due and payable on November 15 of each year, and become delinquent after December 31 of the year levied. However, before the taxes can be collected, the assessment list (i.e. tax roll) must be submitted to the Louisiana Tax Commission for approval. From the day the tax roll is filed with the

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

St. James Parish Clerk of Court's Office, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the 31st day of December of the current year for the payment of the taxes due thereon. Over 98% of ad valorem taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the St. James Parish Tax Collector, which is a division of the St. James Parish Sheriff's Office (in Louisiana, the Sheriff's Office is the legally authorized collection agency for property taxes in each parish). If taxes are not paid within the time stipulated in the public notice, the property is sold for taxes due at a tax sale, usually held prior to the end of the School Board's fiscal year. Consequently, any taxes left unpaid at June 30 of each year are usually immaterial. The School Board authorized and levied the following ad valorem taxes on the 2021 tax rolls:

<u>Parishwide Taxes</u>	<u>Authorized Mills</u>	<u>Levied Mills</u>
Constitutional	4.02	3.85
Maintenance	6.04	5.98
Salaries and Benefits 1994	6.00	6.00
Salaries and Benefits 1997	9.00	9.00
Early Childhood Development 1997	3.00	3.00
Additional Support 2021	3.40	3.40
Salaries and Benefits 2003	7.00	7.00
Debt Service	6.60	6.60

Under the Louisiana Constitution, ad valorem taxes other than the Constitutional Tax must be renewed by popular vote every ten years. The bonded indebtedness tax (Debt Service) remains in effect until all bond principal, interest and associated fees have been paid in full.

4) Sales and Use Taxes

The School Board is authorized to collect a two and one-half (2.5) percent sales and use tax within St. James Parish. The first one percent, approved by parish voters on August 17, 1965, is dedicated to the payment of teacher salaries and or operation of the public schools in St. James Parish. The next one percent, approved by voters on January 17, 1981, is dedicated for two purposes, with 60 percent of the proceeds used for the payment of salaries of teachers and other school employees and the remaining 40 percent used for operations and maintenance costs and or capital improvements to the public schools of the parish. The additional one-half percent was approved by parish voters in May 2003 for employee salaries and or operation of the public schools. The School Board is also authorized to collect a one percent sales and use tax levied by the St. James Parish Council (The Council), a one and one-half percent sales tax levied by the Town of Gramercy, a two percent sales and use tax levied by the Town of Lutcher, and a two percent sales tax levied by the River Parish Tourist Commission. The School Board imposes a collection fee based on the pro-rata share of administrative and collections costs attributable to the sales and use tax collected on behalf of the other governmental entities. Collection and distribution of taxes are accounted for in the Agency Fund fiduciary fund type while all department operational financial activity is accounted for in the General Fund. All sales and use taxes are levied in perpetuity and do not require renewal by parish voters.

5) Inventories

Inventories of the School Food Service Special Revenue Fund consist 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. Inventory items purchased are valued at cost using the "first-in, first-out" (FIFO) method. Costs are recorded as expenditures at the time the individual items are consumed (consumption method). Commodities are assigned values based on information provided by the USDA, also on a FIFO basis.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

6) Other Assets

Other Assets consist of prepaid insurances and certain prepaid technology licensing and supplies. Expenditures are booked as the services expire (consumption method).

7) Capital Assets

Capital assets, which include land, buildings and improvements, and furniture, fixtures, equipment, and intangible right-of-use are reported in the government-wide financial statements. Capital assets are not subject to depreciation unless they cost \$5,000 or more on an individual basis and have an estimated useful life of five or more years. The reporting threshold of \$5,000 is based on guidelines promulgated by the School Board's primary oversight agency, the Louisiana Department of Education. Items costing less than \$5,000 are "expensed" at the time of purchase rather than depreciated. Depreciable assets do not have an assigned salvage value since any such amount would generally be immaterial. However, for purposes of insurance and maintaining an accountability of items generally subject to theft or misuse, the School Board keeps a separate inventory of those particular items not meeting the dollar and useful life threshold but having "street value" (e.g., computers).

Capital assets purchased or constructed are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over useful lives of 5 to 15 years for furniture, fixtures, and equipment and up to 40 years for buildings and improvements. The School Board does not possess any material amounts of infrastructure assets, such as sidewalks and parking lots. Amounts expended prior to June 30, 2002 for such items were considered to be part of the cost of the buildings or other immovable property such as stadiums. In the future, if such items are built or constructed, and are material in relation to the class of assets, they will be capitalized and depreciated.

8) Compensated Absences

Sick Leave - Teachers and other school employees accrue ten days of sick leave per year, which may be accumulated without limitation. Upon death or retirement, however, unused accumulated sick leave of a maximum of 25 days is paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on, or any portion thereof, a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Under the Teachers Retirement System of Louisiana (TRSL), the total unused sick leave (including any amount which may be compensated as mentioned above), is used in retirement benefit calculations as earned service for leave earned prior to July 1, 1988. For sick leave earned after June 30, 1988 under the TRSL and for sick leave earned under the School Employees Retirement System (LSERS), all unpaid sick leave, which excludes the above state compensated days, is used in retirement benefit computations as earned service. Sick leave may be accumulated without limitation and is earned on a June 30 fiscal year basis. Certified employees may carry their accumulated sick leave from one public school district to another public school district in Louisiana. Amounts reported as compensated absences include only the salary component and not related benefits (e.g., the Medicare portion of social security), since any such benefit amounts would be immaterial.

Vacation - Full-time employees who work 12-month schedules are granted vacations in varying amounts as established by Board policy. No employee shall accumulate more than thirty (30) days annual leave. If an employee has accumulated thirty (30) days, monthly accrual shall cease until less than thirty (30) days is in the employee's annual leave account. In the event of termination, an employee receives salary and related benefit compensation for any unused earned vacation.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Sabbatical Leave - Any employee with a teaching certificate is entitled to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Unused sabbatical leave may be carried forward to one or more periods subsequent to that in which it is earned, but not more than two semesters of leave may be accumulated. Sabbatical leave does not vest. Sabbatical leave may only be taken for rest and recuperation (with a doctor's approval) or for professional and cultural improvement. Persons on sabbatical leave are paid 65 percent of their daily rate of pay for the number of days they are on sabbatical leave. Board policy concerning sabbatical leave is determined by and in accordance with state law. According to the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, sabbatical leave that involves professional and cultural improvement provides a continuing benefit to the School Board and should not be accrued. Sabbatical leave granted for rest and recuperation is essentially considered an extended sick leave benefit and should not be accrued as sabbatical leave benefits. Accordingly, sabbatical leave benefits are recorded as current expenditures in the period the leave is taken and are not reflected as a liability on the government-wide financial statements.

9) Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premium or discount, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums is reported as "Other Financing Sources" while discounts on debt issuances are reported as "Other Financing Uses". Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as a Debt Service expenditure.

10) Pension Plans

The School Board is a participating employer in two defined benefit pension plans (plans) as further described in Part III, Note G. For the purposes of measuring Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

11) Fund Equity and Net Position

Restricted Net Position- For the government-wide statement of net position, net position is reported as restricted when constraints are placed on net position by creditors, grantors, contributors, laws, or regulations of other governments or by laws through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the School Board's practice is to use restricted resources first, then unrestricted resources as necessary.

Fund Equity of Fund Financial Statements- Fund equity of governmental funds was previously discussed in Part I, Note D, Government-Wide and Fund Financial Statements.

12) Use of Estimates

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The School Board follows these procedures in establishing the budgetary data contained in the financial statements. Prior to September 15 of each year, The Superintendent submits to the School Board proposed annual budgets for the General Fund, all Special Revenue Funds and any other fund type requiring adoption of a budget in compliance with laws, regulations or agreements. The General Fund budget includes all proposed general operational expenditures and the means of financing those expenditures. With the exception of the School Food Service program, all Special Revenue Funds budgets are based on grantor-approved project applications. The School Food Service program is reimbursed by state and federal grantors based on the number of meals served during the year and as such, proposed expenditures and the means of financing the proposed expenditures are budgeted in a manner similar to the proposed General Fund budget. In accordance with state law, a summary of the proposed budgets is published in the School Board's Official Journal and the School Board makes the proposed budgets available for public inspection. After a public hearing(s), the School Board then acts on the proposed budgets, and through the adoption process, legally appropriates funding for the fiscal year in accordance with the adopted budgets.

Formal budgetary integration is employed as a management control device for the General Fund and the Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service Fund or Capital Projects Fund, unless required by resolution, which effectively achieve budgetary control through bond indenture provisions. The General Fund budget and Special Revenue Funds budgets as adopted are prepared on a modified accrual basis of accounting. All appropriations lapse at the end of the fiscal year, and any material current year transactions directly related to the prior year's budget are rebudgeted in the current year. Budgets for capital project funds are also adopted when required. All budgets are prepared and presented in accordance with the provisions of the Louisiana Uniform Accounting Guide and Handbook (Bulletin 1929) issued by the Louisiana Department of Education. The legal level of budgetary control is set at the fund level.

State law mandates that governmental units must revise their budgets when projected revenues decrease five percent from original budget amounts and when projected expenditures increase five percent from original budget amounts. Budgets included in this report are presented as originally adopted adjusted for final revisions adopted by the School Board during the fiscal year.

Encumbrance accounting is employed in the governmental funds, however, due to operating philosophy and the nature of grant funding, encumbrances at year end are generally immaterial. For those encumbrances that do cross fiscal years, liabilities and expenditures are recorded and related encumbrances are liquidated as goods and services are received and contracts are executed.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

III. DETAILED NOTES ON ALL FUNDS

A. Equity in Pooled Cash, Deposits and Investments

1. Equity in Pooled Cash

The School Board maintains a consolidated cash pool used by all funds. Positive book balances are reported as “Cash and Cash Equivalents” while negative book balances are reported as “Interfund Payables.”

2. Deposits

On June 30, 2022 the School Board had cash (book balances) totaling \$37,213,404. Included in the Cash and Cash Equivalents line item are the following:

Cash Deposits	\$ 36,386,397
LAMP	<u>827,007</u>
TOTAL	<u>\$ 37,213,404</u>

As of June 30, 2022, the School Board’s bank balance was \$36,582,341. Of the bank balance, \$500,714 was covered by Federal depository insurance and the Securities Investor Protection Corporation, and \$36,081,627 was covered by collateral held by the School Board’s fiscal agent in the School Board’s name.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board’s deposits may not be recovered or the School Board will not be able to recover collateral securities that are in the possession of an outside party. Since the School Board’s uninsured bank balances were collateralized with securities held in the name of the School Board by the pledging financial institution’s agent, deposits in the amount of \$36,081,627 are exposed to custodial credit risk.

At June 30, 2022, the School Board also had invested \$827,007 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.127, the investment in LAMP at June 30, 2022 is not categorized in the three risk categories evidenced by securities that exist in physical or book entry form. Due to the short-term nature of the LAMP portfolio and the immediate access at par feature, investments in LAMP are considered cash equivalents by the School Board.

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor’s.
- Custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded for the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7-like pools.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

The investments in LAMP are stated at fair value based on quoted market rates (Level 1). The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the School Board of directors. LAMP is not registered with the SEC as an investment company.

The School Board does not have a formal policy related to credit risk, custodial risk, concentration of credit risk or interest rate risk.

B. Receivables

The receivables of \$6,161,606 on June 30, 2022 consisted of the following:

	<u>General</u>	<u>COVID-19 Relief</u>	<u>Hurricane Ida</u>	<u>Non-Major Governmental</u>	<u>TOTALS</u>
Local Taxes / Other	\$ 46,501	\$ -	\$ -	\$ 357	\$ 46,858
State Grants	43,061	-	-	-	43,061
Federal Grants	<u>1,577,683</u>	<u>2,130,022</u>	<u>128,350</u>	<u>2,235,632</u>	<u>6,071,687</u>
TOTALS	<u>\$ 1,667,245</u>	<u>\$ 2,130,022</u>	<u>\$ 128,350</u>	<u>\$ 2,235,989</u>	<u>\$ 6,161,606</u>

C. Capital Assets

Capital asset and depreciation activity as of and for the year ended June 30, 2022 is as follows:

	<u>Land</u>	<u>Buildings and Imprvmts</u>	<u>Furniture, Fixtures & Equipment</u>	<u>Total Capital Assets</u>	<u>Right of Use Asset- Office Equipment</u>	<u>GRAND TOTALS</u>
Cost, July 1, 2021	\$ 2,402,231	\$ 148,924,957	\$ 7,771,593	\$ 159,098,781	\$ 887,608	\$ 159,986,389
Additions	-	-	2,294,060	2,294,060	-	2,294,060
Deletions	-	-	-	-	-	-
Cost, June 30, 2022	<u>\$ 2,402,231</u>	<u>\$ 148,924,957</u>	<u>\$ 10,065,653</u>	<u>\$ 161,392,841</u>	<u>\$ 887,608</u>	<u>\$ 162,280,449</u>
Depreciation/Amortization:				-		-
Accumulated, July 1, 2021	\$ -	\$ 47,227,805	\$ 4,314,811	\$ 51,542,616	\$ -	\$ 51,542,616
Additions	-	3,944,475	2,058,415	6,002,890	236,696	6,239,586
Deletions	-	-	-	-	-	-
Accumulated, June 30, 2022	<u>\$ -</u>	<u>\$ 51,172,280</u>	<u>\$ 6,373,226</u>	<u>\$ 57,545,506</u>	<u>\$ 236,696</u>	<u>\$ 57,782,202</u>
Capital Assets, Net of Accumulated				-		-
Depreciation/Amortization, June 30, 2022	<u>\$ 2,402,231</u>	<u>\$ 97,752,677</u>	<u>\$ 3,692,427</u>	<u>\$ 103,847,335</u>	<u>\$ 650,912</u>	<u>\$ 104,498,247</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Amortization expense of \$236,696 on the leased office equipment was charged to the School Administration. Depreciation expense of \$6,002,890 for the year ended June 30, 2022 was charged accordingly:

Instruction:

Regular Programs	\$ 450,697
Special Programs	113,507
Vocational Programs	23,684
All Other Programs	114,150

Support Services:

Pupil Support	94,377
Instructional Staff Support	59,074
General Administration	4,502,168
School Administration	86,782
Business Services	15,488
Plant Services	347,732
Pupil Transportation	96,606
Central Services	29,891
Food Services	67,048
Community Services	1,686
TOTAL	<u>\$ 6,002,890</u>

D. Accounts, Salaries, and Other Payables

The payables of \$5,918,218 on June 30, 2022 consisted of the following:

	<u>General</u>	<u>COVID-19 Relief</u>	<u>Hurricane Ida</u>	<u>Non-Major Governmental</u>	<u>TOTALS</u>
Accounts	\$ 455,243	\$ 94,388	\$ 68,640	\$ 21,548	\$ 639,819
Salaries and Benefits	3,323,835	118,465	-	148,803	3,591,103
Contracts	-	-	777,080	-	777,080
Retainage Payable	3,000	-	239,112	-	242,112
Worker's Comp Accrued Claims	19,874	-	-	-	19,874
Health Insurance Accrued Claims	648,230	-	-	-	648,230
TOTALS	<u>\$ 4,450,182</u>	<u>\$ 212,853</u>	<u>\$ 1,084,832</u>	<u>\$ 170,351</u>	<u>\$ 5,918,218</u>

E. Interfund Receivables, Payables, and Transfers

Amounts of interfund receivables, payables, and transfers as of and for the year ended June 30, 2022 follow:

	<u>Interfund Balances and Transfers</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 4,032,467	-	\$ 795,105	\$ 196,730
COVID-19 Relief	-	1,917,169	-	526,795
Non-Major Governmental	-	2,115,298	196,730	268,310
TOTALS	<u>\$ 4,032,467</u>	<u>\$ 4,032,467</u>	<u>\$ 991,835</u>	<u>\$ 991,835</u>

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Interfund receivables and payables arise as a result of the consolidated cash account utilized by the School Board. All operating funds are deposited in a single bank account and disbursements are made through two zero-balance checking accounts. Due to the reimbursement nature of the federal funds operated by the School Board, negative cash balances arise throughout the year and are accordingly reported as interfund receivables and payables.

Interfund transfers reflect indirect cost funding provided to the General Fund from federal grants based on programmatic expenditures. An interfund transfer is reported for state equalization monies provided to the School Food Service fund from the General Fund, where the state funding is reported as revenue.

F. Long-Term Liabilities

Long-term liabilities consist of bonded debt, notes payable, lease liabilities, judgments, and compensated absences payable. Net pension liability further discussed in Part III, Note G, OPEB further discussed in Part III, Note I, and judgments further discussed in Part III, Note L. A summary of changes in long-term liabilities for the year ended June 30, 2022 follows:

	Balance, July 1, 2021	Additions	Amounts Defeased	Retirements	Balance, June 30, 2022	Due Within One Year
General Obligation Bonds	\$ 62,301,665	\$ -	\$ 53,260,000	\$ 7,308,333	\$ 1,733,332	\$ 433,333
General Obligation Refunding Bonds	-	61,730,000	-	735,000	60,995,000	700,000
Bond Premium	1,263,389	-	-	1,263,389	-	-
Notes Payable	988,933	30,000,000	-	958,710	30,030,223	30,223
Lease liabilities	887,609	-	-	233,246	654,363	235,291
Judgments	1,351,424	-	-	900,142	451,282	100,285
Compensated Absences	2,161,725	1,418,523	-	1,527,263	2,052,985	123,179
Totals	<u>\$ 68,954,745</u>	<u>\$ 93,148,523</u>	<u>\$ 53,260,000</u>	<u>\$ 12,926,083</u>	<u>\$ 95,917,185</u>	<u>\$ 1,622,311</u>

General Obligation Refunding Bonds, Qualified School Construction Bonds, and Notes Payable

The School Board has several debt issues outstanding at June 30, 2022. A summary of bonded debt and notes payable follows:

Date of Issue	Original Issue	Interest Rates	Final Pymt Due	Interest to Maturity	Principal Outstanding
Direct placements/borrowings:					
General Obligation Bonds					
June 1, 2011	6,500,000	0-1%	3-1-26	117,000	1,733,332
July 28, 2021	61,730,000	2-3.125%	3-1-46	26,569,186	60,995,000
			<i>General Obligation Bonds</i>	26,686,186	62,728,332
Notes Payable					
August 15, 2019	1,452,620	-	7-15-21	254	30,223
March 12, 2022	30,000,000	3.45%	2-20-22	4,307,246	30,000,000
			<i>Notes Payable</i>	4,307,500	30,030,223
			TOTALS	\$ 30,993,686	\$ 92,758,555

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
June 30, 2022

The General Obligation Refunding Bonds, Series 2021, redeemed the Series 2015 Refunding Bonds and defeased the Series 2012, 2015, and 2016 bonds. The June 1, 2011 Qualified School Construction Bonds (QSCB Series 2011) funded parishwide facility improvements and or capital equipment acquisition.

Future funding requirements on long-term debt at June 30, 2022 are as follows:

Year Ending		Direct Placements / Borrowings						TOTALS
		General Obligation Bonds			Notes Payable			
June 30		<u>6-1-11</u>	<u>7-28-21</u>	<u>GO Bonds</u>	<u>8-15-2019</u>	<u>3-12-2022</u>	<u>Notes</u>	
2023	Prin	433,333	700,000	1,133,333	30,223	-	30,223	1,163,556
	Int	29,250	1,651,931	1,681,181	254	710,458	710,712	2,391,893
2024	Prin	433,333	1,120,000	1,553,333	-	-	-	1,553,333
	Int	29,250	1,637,931	1,667,181	-	885,000	885,000	2,552,181
2025	Prin	433,333	1,195,000	1,628,333	-	5,620,000	5,620,000	7,248,333
	Int	29,250	1,615,531	1,644,781	-	885,000	885,000	2,529,781
2026	Prin	433,333	1,105,000	1,538,333	-	5,805,000	5,805,000	7,343,333
	Int	29,250	1,591,631	1,620,881	-	719,210	719,210	2,340,091
2027	Prin	-	1,665,000	1,665,000	-	5,995,000	5,995,000	7,660,000
	Int	-	1,569,531	1,569,531	-	547,963	547,963	2,117,494
2028-2032	Prin	-	10,075,000	10,075,000	-	12,580,000	12,580,000	22,655,000
	Int	-	7,297,376	7,297,376	-	559,615	559,615	7,856,991
2033-2037	Prin	-	13,115,000	13,115,000	-	-	-	13,115,000
	Int	-	5,968,651	5,968,651	-	-	-	5,968,651
2038-2042	Prin	-	16,240,000	16,240,000	-	-	-	16,240,000
	Int	-	3,977,541	3,977,541	-	-	-	3,977,541
2043-2046	Prin	-	15,780,000	15,780,000	-	-	-	15,780,000
	Int	-	1,259,063	1,259,063	-	-	-	1,259,063
Totals:	Prin	<u>1,733,332</u>	<u>60,995,000</u>	<u>62,728,332</u>	<u>30,223</u>	<u>30,000,000</u>	<u>30,030,223</u>	<u>92,758,555</u>
	Int	<u>117,000</u>	<u>26,569,186</u>	<u>26,686,186</u>	<u>254</u>	<u>4,307,246</u>	<u>4,307,500</u>	<u>30,993,686</u>
Grand Totals		<u>\$ 1,850,332</u>	<u>\$ 87,564,186</u>	<u>\$ 89,414,518</u>	<u>\$ 30,477</u>	<u>\$ 34,307,246</u>	<u>\$ 34,337,723</u>	<u>\$ 123,752,241</u>

With the respect to the June 1, 2011 indebtedness, in the event of default, if written consent from the owners of the bond has been received by the issuer, the issuer shall grant the remedy of acceleration. In the event of default, the owners of a majority of the outstanding principal amounts of this bond may deliver a notice to the issuer declaring all amounts outstanding under the bonds are immediately due and payable and such amounts shall then be immediately due and payable.

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
June 30, 2022

Notes Payable

Hurricane Ida, a category 4 storm, made landfall in south Louisiana on August 30, 2021. St. James Parish suffered a direct hit and significant damage to property resulted throughout the parish. In anticipation of insurance recoveries, the School Board issued \$30,000,000 of Hurricane Recovery Revenue Notes during the year ended June 30, 2022. Contract commitments of \$13,731,000 have been approved by the School Board at June 30, 2022.

Refunding Bonds

In November 2020, Equilon Enterprises LLC, the parent company operating the Shell oil refinery in Convent, St. James Parish, Louisiana, announced that they would immediately begin a phased shutdown of the refinery. Equilon had publicly announced several months earlier that the refinery was for sale, however, the immediacy of the shutdown came as a shock to the 700 employees and 400 contract workers heretofore employed at the refinery.

The secondary shock wave rattled the economic outlook for St. James Parish as well as the state of Louisiana. The refinery paid some 27 percent of the parish ad valorem tax bill along with a sizable portion of the sales and use tax revenue distributed to the parish's taxing bodies. During the year ended June 30, 2021, the School Board's management prepared budgets for the year ended June 30, 2022 that included reductions in appropriations of approximately \$4,300,000. Due to declining population and other factors, this reduction was supported by a reduction in force. In an effort to increase cash flows of available funds, the School Board proposed two propositions to the citizens of the district. Proposition No. 1 included issuance of not exceeding \$64,000,000 refunding bonds with a decrease in debt service restricted millages. Proposition No. 2 included a levy of a special tax of 3.4 mills for additional support through the year ended 2030. The general election was held on April 24, 2021, and both propositions passed.

On July 28, 2021, the School Board issued \$61,730,000 General Obligation Refunding Bonds, Series 2021 to advance refund \$53,260,000 of its outstanding General Obligation Bonds, Series 2012, 2015 and 2016. The refunding bonds were issued at par. The net proceeds of \$58,521,113 from the issuance of the bonds, less costs of issuance, were deposited with an escrow agent until the bonds are called for redemption. The Series 2012 bond was called on March 1, 2022. The Series 2015 and 2016 bonds are considered legally defeased and the liability for the refunded bonds removed from the School Board's government-wide financial statements. The advance refunding increased the School Board's total debt service requirement over the next 24 years by approximately \$19,954,516. The annual obligations decreased significantly. The refunding also results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$12,584,416.

The Series 2015 (refunding) was redeemed by the issuance of the Series 2021 refunding bonds.

Defeased Bonds

The School Board defeased certain general obligation bonds by placing the proceeds of refunding bonds in an irrevocable trust with an escrow agent to provide for all future payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School Board's government-wide financial statements. At June 30, 2022, the following general obligation bonds remain outstanding, but are considered defeased:

<u>Series</u>	<u>Amount Defeased</u>	<u>Call Date</u>
2015	\$ 14,220,000	3/1/2025
2016	28,035,000	3/1/2026
	<u>\$ 50,975,000</u>	

Lease Liabilities

During the fiscal year ended June 30, 2022, the School Board implemented the provisions of GASB Statement No. 87, *Leases*, for accounting and reporting for leases which were previously reported as operating leases. Prior to the fiscal year ended June 30, 2022, the School Board leased office equipment having original lease terms of 60 months.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

The School Board recognizes lease liabilities and intangible right to use assets (lease assets) in the government-wide financial statements.

At the commencement of the lease, the School Board initially measures the lease liability at the present value of payments expected to be made during the lease term. For purposes of discounting future payments on the leases, the School Board used an incremental borrowing rate (IBR) of 1.28%.

Minimum lease payments through the lease term are as follows:

Year Ending June 30,	Lease Liability		
	Principal	Interest	Total
2023	\$ 235,291	\$ 6,748	\$ 242,039
2024	238,320	3,522	241,842
2025	180,752	965	181,717
	<u>\$ 654,363</u>	<u>\$ 11,235</u>	<u>\$ 665,598</u>

Compensated Absences

Compensated absences consist of that portion of accumulated regular sick leave for which the School Board may have an obligation to pay for up to twenty-five (25) days thereof. All amounts reported are computed using the employee's daily rate of pay as of June 30, 2022. Of the \$ 2,052,985 balance reported, \$123,179 is estimated to be due within one year of June 30, 2022. All compensated absence liabilities are liquidated through the General Fund.

G. Employee Retirement Systems

Eligible employees of the St. James Parish School Board participate in one of two multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

Teachers' Retirement System of Louisiana – Regular and Plan A

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL) and additions to/deductions from TRSL's fiduciary net position have been determined on the same basis as they are reported by TRSL. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a description of the plan and its benefits and is provided for general informational purposes only.

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.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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

Normal retirement: Regular Plan – Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age 60 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 31, 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, any age with at least 20 years of service (actuarially reduced) or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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

Normal retirement: Plan B – Members hired before July 1, 2015, may retire with a 2.0% benefit factor after attaining age 60 with at least 5 years of credit service or age 55 with at least 30 years of service credit. Members first eligible to join and hired on or after July 1, 2015, may retire with a 2.0% benefit factor after attaining age 62 with at least 5 years of service credit or with an actuarially reduced benefit with 20 years of service at any age.

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

Payment options: A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. In lieu of the maximum monthly benefit, the member may 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 cannot exceed 36 months of the members' maximum monthly benefit amount.

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

Deferred Retirement Option Program (DROP): In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3 years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year 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 an additional annuity based upon the account balance.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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

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

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, TRSL 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.

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

The 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.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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. The rates in effect during the fiscal year ended June 30, 2022 are as follows:

<u>2022</u> <u>TRSL Sub Plan</u>	<u>Employer</u> <u>Contributions</u>
K-12 Regular Plan	25.2%
Higher Ed Regular Plan	24.5%
Plan A	25.2%
Plan B	25.2%
<u>ORP</u>	<u>Employer</u> <u>Contributions</u>
2022	21.47%

The agency's contractually required composite contribution rate for the year ended June 30, 2022 was 25.2% 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 \$6,725,014 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2022, the School Board reported a liability of \$29,768,189 for its proportionate share of the TRSL Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the School Board's proportion was 0.55759%, which was a decrease of 0.02316% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School Board recognized pension benefit of \$1,800,142.

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

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experiences	\$ 152,039	\$ 450,113
Changes of assumptions	2,897,708	-
Net difference between projected and actual earnings on pension plan investments	-	20,094,388
Change in proportion and differences between employer contributions and proportionate share of contributions	671,195	3,142,967
Employer contributions subsequent to the measurement date	<u>6,725,014</u>	<u>-</u>
Total	<u>\$ 10,445,956</u>	<u>\$ 23,687,468</u>

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Deferred outflows of resources of \$6,725,014 related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	\$ (4,724,284)
2024	(4,261,950)
2025	(4,574,576)
2026	<u>(6,405,716)</u>
	<u>\$ (19,966,526)</u>

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

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.40% net of investment expenses
Inflation Rate	2.3% per annum
Salary Increases	3.1% - 4.6% varies depending on duration of service
Cost of Living Adjustment	None
Mortality	
	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.
	Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females
	Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.
	These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 - June 30, 2017) experience study of the System's members.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/ diversification. The resulting expected long-term rate of return was 7.87% for 2021. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.0%	4.21%
International Equity	19.0%	5.23%
Domestic Fixed Income	13.0%	0.44%
International Fixed Income	5.5%	0.56%
Private Assets	25.5%	8.48%
Other Private Assets	10%	4.27%

Discount Rate: The discount rate used to measure the total pension liability was 7.40%, which was a .05% decrease from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the net pension liability to Changes in the Discount Rate: The following presents the employer’s proportionate share of the net pension liability calculated using the discount rate of 7.40%, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage- point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

	<u>1% Decrease 6.40%</u>	<u>Current Discount Rate 7.40%</u>	<u>1% Increase 8.40%</u>
Employer's proportionate share of the net pension liability	\$ <u>49,263,334</u>	\$ <u>29,768,189</u>	\$ <u>13,370,721</u>

Support of Non-employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$240,604 for its participation in TRSL.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Payables to the Pension Plan: The School Board recorded accrued liabilities to TRSL for the year ended June 30, 2022, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. The balance due to TRSL as of June 30, 2022 is \$1,036,912.

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2021 Comprehensive Annual Financial Report at www.trsl.org.

Louisiana School Employees' Retirement System (LSERS)

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

Plan Description: Certain employees of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the State of Louisiana School Employees' Retirement System, a component unit of the State of Louisiana. The System was established and provided for by LA R.S. 11:1001 of the Louisiana Revised Statutes. The System issues a publicly available financial report that can be obtained at www.lasers.net.

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, school bus aide, monitor or attendant, or any other regular school employee who works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service, or 5 years if enrolled after June 30, 2010.

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

Benefits Provided: Benefit provisions are authorized and amended by Louisiana Revised Statutes 11:1141 – 11:1153. 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: For a member who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service.

For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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

A member who joined the System on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60.

A member who joined the System on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

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

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

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

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

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

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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

Contributions: Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actual employer contribution rate for the year ended June 30, 2022 was 28.70%. Contributions to the pension plan from the School Board were \$121,618 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2022, the School Board reported a liability of \$863,565 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the School Board's proportion was 0.18168%, which was a decrease of 0.02318% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School Board recognized a pension benefit of \$119,913. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 18,679	\$ 12,548
Changes of assumptions	28,455	-
Net difference between projected and actual earnings on pension plan investments	-	328,551
Change in proportion and differences between employer contributions and proportionate share of contributions	384	186,762
Employer contributions subsequent to the measurement date	<u>121,618</u>	<u>-</u>
Total	<u>\$ 169,136</u>	<u>\$ 527,861</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Deferred outflows of resources of \$121,618 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	
2023	\$ (177,511)
2024	(93,664)
2025	(79,172)
2026	<u>(129,996)</u>
	<u>\$ (480,343)</u>

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

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	6.90%, net of investment expense
Expected Remaining Service Lives	3 years
Inflation Rate	2.50%
Mortality	RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Table RP-2014 Sex Distinct Mortality Table
Salary Increases	3.25% based on the 2018 experience study (for the period 2013-2017) experience of the System's members
Cost of Living Adjustments	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	26%	0.76%
Equity	39%	2.84%
Alternatives	23%	1.87%
Real Estate	<u>12%</u>	<u>0.60%</u>
Totals	<u>100%</u>	<u>6.07%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u>8.17%</u>

Discount Rate: The discount rate used to measure the total pension liability was 6.90%, which was a decrease of 0.10 percent from the rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Based on those assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

	1% Decrease <u>5.90%</u>	Current Discount Rate <u>6.90%</u>	1% Increase <u>7.90%</u>
Employer's proportionate share of the net pension liability	<u>\$ 1,329,936</u>	<u>\$ 863,565</u>	<u>\$ 464,919</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Payables to the Pension Plan: The School Board recorded accrued liabilities to the System for the year ended June 30, 2022, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. The balance due to the System as of June 30, 2022 is \$17,197.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report issued on School Employees' Retirement System financial statements for the year ended June 30, 2021. Access to the audit report can be found on the Office of the Louisiana Legislative Auditor's official website: <https://www.la.la.gov/>.

Aggregate Pension Liability, Deferred Outflows of Resources, Deferred Inflows of Resources, and Pension Expense

As detailed earlier in this disclosure, the School Board participates in two separate defined benefit pension plans. The aggregate amounts for the School Board's participation in Teachers Retirement System of Louisiana (TRSL) and Louisiana School Employees Retirement System (LSERS) are presented below. The School Board has no Pension Assets. The School Board's aggregate Proportionate Share of the Net Pension Liability is as follows:

<u>Employer's Proportionate Share of Net Pension Liability</u>			
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
TRSL	\$ 49,263,334	\$ 29,768,189	\$ 13,370,721
LSERS	<u>1,329,936</u>	<u>863,565</u>	<u>464,919</u>
Aggregate	<u>\$ 50,593,270</u>	<u>\$ 30,631,754</u>	<u>\$ 13,835,640</u>

<u>Deferred Outflows of Resources</u>		
<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
<u>\$ 10,445,956</u>	<u>\$ 169,136</u>	<u>\$ 10,615,092</u>

<u>Deferred Inflows of Resources</u>		
<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
<u>\$ 23,687,468</u>	<u>\$ 527,861</u>	<u>\$ 24,215,329</u>

<u>Pension Expense/(Pension Benefit)</u>		
<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
<u>\$ (1,800,142)</u>	<u>\$ (119,913)</u>	<u>\$ (1,920,055)</u>

H. 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 omission; injuries to employees; and natural disasters. Except as noted below, for the year ended June 30, 2022, the School Board purchased commercial insurance policies to satisfy any claims related to general liability, vehicle liability, property and casualty, athletic participation, employee health and accident, and errors and omissions. The General Fund accounts for all risk-financing activity.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

During the year ended June 30, 2022, there was no significant reduction in insurance coverage in any of the risk categories mentioned above. Additionally, with exception of the matter described in Part III, Note L, the School Board has had no settlements in excess of insurance coverage during any of the past three fiscal years.

The School Board is partially self-insured for employee group health insurance and maintains additional reinsurance from an independent carrier for any claims incurred in excess of specified limits. Those funds with covered employees remit monthly premiums to the Health Insurance Reserve Fund which pays claims based on invoices submitted to the School Board's third-party administrator.

The plan was established on October 1, 2003 and all financial activity is reported in the General Fund. The School Board is also partially self-insured for worker's compensation up to \$450,000 per occurrence and subject to an aggregate loss fund in an amount equal to 80% of the standard manual premium. An independent carrier insures the School Board for excess worker's compensation claims over and above the afore-mentioned limits. Claims liabilities are funded through the General Fund and Special Revenue Funds that incur claims liabilities and liability amounts for claims incurred but not reported are actuarially determined by each of the School Board's third-party plan administrators.

All incurred but not reported claims are considered due within a year of the date of the Statement of Net Position. A reconciliation of claims liability for the current and prior fiscal years follows:

	<u>Beginning Liability</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Ending Liability</u>
<u>2022</u>				
Worker's Comp	\$ 156,560	\$ 17,465	\$ 154,151	\$ 19,874
Health Insurance	<u>698,991</u>	<u>6,235,194</u>	<u>6,512,128</u>	<u>422,057</u>
TOTALS	<u>\$ 855,551</u>	<u>\$ 6,252,659</u>	<u>\$ 6,666,279</u>	<u>\$ 441,931</u>
<u>2021</u>				
Worker's Comp	\$ 35,691	\$ 309,140	\$ 188,271	\$ 156,560
Health Insurance	<u>327,666</u>	<u>5,748,842</u>	<u>5,377,517</u>	<u>698,991</u>
TOTALS	<u>\$ 363,357</u>	<u>\$ 6,057,982</u>	<u>\$ 5,565,788</u>	<u>\$ 855,551</u>

I. Post-Employment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

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) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

Benefits Provided – Medical benefits are provided through an insured plan and are made available to employees upon actual retirement. The employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are 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 joining the system on and after January 1, 2011 must be at least age 60 to retire with an unreduced retirement benefit.

Basic and Supplemental Life insurance coverage is available to retirees by election. The School Board pays 100% of the Basic premium and 50% of the Supplemental premium. The Basic premium is "blended" and the Supplemental premium is "unblended".

Employees covered by benefit terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	458
Active employees	<u>507</u>
TOTAL	<u><u>965</u></u>

Total OPEB Liability

The School Board's total OPEB liability of \$77,135,077 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.0%, including inflation
Discount Rate	2.16% annually (beginning of year to determine ADC) 3.54% annually (as of end of year measurement date)
Healthcare Cost Trend Rates	5.5% annually for ten years, 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2022, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

Changes in the Total OPEB Liability

OPEB Balance, July 1, 2021	<u>\$ 112,116,602</u>
Changes for the year:	
Service Cost	1,954,370
Interest	2,389,086
Differences between expected and actual experience	(34,373,047)
Changes in Assumptions	(1,930,370)
Benefit payments and net transfers	<u>(3,021,564)</u>
Net Changes	<u><u>(34,981,525)</u></u>
OPEB Balance, June 30, 2022	<u><u>\$ 77,135,077</u></u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<u>1% Decrease</u> 2.54%	<u>Current Rate</u> 3.54%	<u>1% Increase</u> 4.54%
Total OPEB Liability	\$ <u>93,221,850</u>	\$ <u>77,135,077</u>	\$ <u>64,718,160</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the School Board’s total OPEB liability, 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:

	<u>1% Decrease</u> 4.5%	<u>Current Rate</u> 5.5%	<u>1% Increase</u> 6.5%
Total OPEB Liability	\$ <u>66,280,082</u>	\$ <u>77,135,077</u>	\$ <u>91,326,035</u>

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

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$3,748,164. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 6,481,461	\$ 28,088,210
Changes in assumptions	<u>11,615,744</u>	<u>3,220,975</u>
TOTAL	\$ <u>18,097,205</u>	\$ <u>31,309,185</u>

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

<u>Year Ending</u> <u>June 30</u>	
2023	\$ (595,289)
2024	(595,292)
2025	(5,175,894)
2026	(7,053,094)
2027	<u>207,589</u>
	\$ <u>(13,211,980)</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

J. Agency Fund - Sales and Use Tax Collections

St. James Parish sales and use taxes are collected and disbursed by a department operating within the physical confines of the St. James Parish School Board. The department collects and distributes the taxes on a monthly basis to all taxing bodies within the parish. A summary of disbursements to the applicable taxing bodies for the year ended June 30, 2022 follows:

<u>Taxing Agency</u>	<u>Gross Distribution</u>
St. James Parish School Board	\$ 17,521,047
St. James Parish Council	5,612,151
Town of Gramercy	1,152,004
Town of Lutcher	748,181
River Parish Tourist Commission	<u>79,579</u>
DISTRIBUTION TO TAXING BODIES	<u>\$ 25,112,962</u>

K. Tax Abatement

As authorized by Article VII, Section 14(C) of the Louisiana Constitution and RS 33:7633, political subdivisions and political corporations may enter into a cooperative endeavor agreement (CEA) with any public or private association, corporation, or individual to carry out a local infrastructure project to achieve a public purpose. In prior years, the St. James Parish Government and the Port of South Louisiana entered into separate CEA for the construction of plant facilities to be owned by the respective governmental entity but operated through the CEA by business enterprises. Because the plant facilities are owned by a governmental entity, such are exempt from ad valorem taxation.

The St. James Parish School Board is also subject to certain property tax abatements granted by the Louisiana Department of Economic Development and the Louisiana Board of Commerce and Industry ("LBCI"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the School Board may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP").

ITEP is authorized by Article 7, Section 21(F) of the Louisiana Constitution. Companies qualifying as manufacturers can apply to the LBCI for a property tax exemption on all new property, as defined, used in the manufacturing process. Under ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon approval by LBCI. These state-granted abatements have resulted in reductions of property taxes, which the tax entity administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

For the year ended June 30, 2022, \$16,941,148 of St. James Parish School Board's ad valorem tax revenues were abated by other governments through CEA and ITEP.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

L. Litigation

At June 30, 2022, the School Board was a defendant in several different lawsuits. Board management and legal counsel believe that claims against the School Board not covered by insurance would not have a material impact on the School Board's financial statements. Some cases are still in discovery.

On March 3, 2021, a judgment was issued by the Board of Tax Appeals against the School Board. In October of 2021, a settlement agreement was executed. The School Board's portion of the settlement approximated \$1,351,424. This obligation was reduced with an initial refund of \$850,000 during the year ended June 30, 2022. The judgement will be met by sixty (60) consecutive monthly installments in the amount of \$8,357 beginning January 15, 2022 and concluding on December 15, 2026. The monthly installments will be withheld from the School Board's current collections of the parish wide 2.5% sales tax in accordance with LA R.S. 47:337.77(D)(1). As of June 30, 2022, the School Board's portion of the obligation is recognized as a judgment liability on the statement of net position, with \$100,285 reported as long-term liabilities due within one year.

M. Federal Grants

The School Board participates in a number of federally-assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, Board management believes such disallowances, if any, would be immaterial.

N. Short Term Debt

In September 2021 the School Board issued Revenue Anticipation Notes in an amount not to exceed \$8,000,000 to address anticipated General Fund cash flow issues prior to the January 2022 receipt of the major portion of the School Board's ad valorem tax revenue. The School Board borrowed \$4,050,001 under the arrangement and liquidated the obligation in January 2022 upon the receipt of the Ad Valorem tax revenue. Interest expense of \$13,271 was incurred on the borrowing and is reported in the Business Services line item of the General Fund. A summary of the short-term debt as of and for the year ended June 30, 2022 follows:

<u>Balance,</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance,</u> <u>June 30, 2022</u>
<u>\$ -</u>	<u>\$ 4,050,001</u>	<u>\$ 4,050,001</u>	<u>\$ -</u>

The School Board executed a similar arrangement in November 2022 with the capacity to borrow up to \$3,000,000. The cumulative draw to date on the new lending agreement totals \$50,001. This amount comprises the initial drawdown required at closing as per the underlying agreement.

O. Negative Fund Balance and Unavailable Revenues

The School Board is reporting a negative fund balance of \$2,130,022 in the COVID-19 Relief Fund as of and for the year ended June 30, 2022. This fund accounts for federal grant monies received from the CARES Act for the Elementary and Secondary School Emergency Relief Fund (ESSER) passed by the United States Congress in the spring of 2020; legislation that is providing financial assistance for state and local governments in response to the Corona Virus pandemic. These funds are passed through the Louisiana Department of Education and due to the emergency nature of the funding, administrative protocols were significantly delayed after Congress had authorized the grant monies.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2022

While the funds were requested in time for fiscal year 2022 recognition of the revenue, the funds were not received within 60 days of year end. Accordingly, this amount has been reported as a liability, unavailable revenue, in the fund level financial statements, a deferred inflow of resources. This revenue is recognized on the government-wide statements, prepared on the accrual basis, and will be recognized in the fund level financial statements during fiscal year 2023.

P. Net Position

Net position is presented as net investments in capital assets and unrestricted on the School Board's government-wide statement of net position. A component of the School Board's net position is significantly affected by transactions that resulted in the recognition of deferred outflow of resources and deferred inflow of resources, and the difference between the deferred outflow of resources and deferred inflow of resources and the balance of the related asset or liability is significant. As discussed in Notes G and I, the School Board's recognition of net pension liability in accordance with GASBS No. 68 and OPEB obligations in accordance with GASBS No. 75 significantly affected the unrestricted portion of net position as of June 30, 2022.

Q. New Accounting Pronouncements Scheduled to be Implemented

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the School Board's financial report:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPP)*. This Statement requires that PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of an SCA. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). The provisions of GASB Statement No. 94 are effective for fiscal years beginning after June 15, 2022. The effect of implementation on the School Board's financial statements has not yet been determined.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions of GASB Statement No. 96 are effective for fiscal years beginning after June 15, 2022. The effect of implementation on the School Board's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION General Fund Budgetary Comparison Schedule For the Year Ended June 30, 2022

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET
REVENUES				
Local Sources:				
Taxes: Ad valorem	\$ 25,019,000	\$ 26,715,692	\$ 26,721,610	\$ 5,918
Sales and use	18,000,000	17,526,597	17,704,692	178,095
Charges for services	27,000	22,829	89,740	66,911
Interest earnings	-	-	641	641
Other	797,500	2,479,266	508,938	(1,970,328)
Total Local Sources	<u>43,843,500</u>	<u>46,744,384</u>	<u>45,025,621</u>	<u>(1,718,763)</u>
State Sources:				
Minimum Foundation Program	10,697,052	10,329,629	10,421,638	92,009
Other	743,223	740,770	541,077	(199,693)
Total State Sources	<u>11,440,275</u>	<u>11,070,399</u>	<u>10,962,715</u>	<u>(107,684)</u>
Federal Sources	120,350	62,538	85,580	23,042
TOTAL REVENUES	<u>55,404,125</u>	<u>57,877,321</u>	<u>56,073,916</u>	<u>(1,803,405)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Programs	20,630,603	21,778,294	20,229,934	1,548,360
Special Programs	4,922,183	5,103,127	4,727,642	375,485
Vocational Programs	934,493	957,078	803,476	153,602
All Other Programs	3,337,454	2,858,793	2,851,909	6,884
Support Services:				
Pupil Support	4,287,941	4,130,718	3,820,715	310,003
Instructional Staff Support	2,090,573	2,033,052	1,918,980	114,072
General Administration	2,403,315	3,156,117	3,111,570	44,547
School Administration	4,115,257	4,323,922	4,047,687	276,235
Business Services	720,570	705,621	681,710	23,911
Plant Services	6,128,187	6,044,007	5,716,999	327,008
Pupil Transportation	4,539,724	4,609,821	4,417,334	192,487
Central Services	1,608,511	1,729,382	1,401,798	327,584
Food Services	-	-	15,276	(15,276)
Community Services	61,000	61,000	60,000	1,000
Capital Outlay	55,000	9,402	71,612	(62,210)
Debt Service: Principal	-	-	463,409	(463,409)
Interest	-	-	28,492	(28,492)
TOTAL EXPENDITURES	<u>55,834,811</u>	<u>57,500,334</u>	<u>54,368,543</u>	<u>3,131,791</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(430,686)</u>	<u>376,987</u>	<u>1,705,373</u>	<u>1,328,386</u>
OTHER FINANCING SOURCE (USES):				
Insurance Proceeds	-	33,922	35,531	1,609
Interfund Transfers In	760,989	770,533	795,105	24,572
Interfund Transfers Out	(350,000)	(300,000)	(196,730)	103,270
TOTAL OTHER FINANCING SOURCES / (USES)	<u>410,989</u>	<u>504,455</u>	<u>633,906</u>	<u>129,451</u>
NET CHANGES IN FUND BALANCE	(19,697)	881,442	2,339,279	1,457,837
FUND BALANCE, July 1, 2021	<u>6,220,942</u>	<u>7,079,630</u>	<u>7,079,185</u>	<u>-</u>
FUND BALANCE, June 30, 2022	<u>\$ 6,201,245</u>	<u>\$ 7,961,072</u>	<u>\$ 9,418,464</u>	<u>\$ 1,457,837</u>

See independent auditor's report and notes to required supplementary information.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

COVID-19 Relief Budgetary Comparison Schedule

For the Year Ended June 30, 2022

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Federal Grants	<u>\$ 2,894,316</u>	<u>\$ 12,216,738</u>	<u>\$ 1,667,063</u>	<u>\$(10,549,675)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	311,186	1,313,498	364,199	949,299
Special Instruction	40,368	170,391	47,245	123,146
All Other Programs	42,722	180,327	50,000	130,327
Support Services:				
Pupil Support	66,665	281,389	78,022	203,367
Instructional Staff Support	363	1,533	425	1,108
Plant Services	26,582	112,203	31,111	81,092
Pupil Transportation	58,865	248,465	68,893	179,572
Food Services	-	-	-	-
Capital Outlay	<u>1,875,157</u>	<u>7,914,927</u>	<u>2,194,605</u>	<u>5,720,322</u>
TOTAL EXPENDITURES	<u>2,421,908</u>	<u>10,222,733</u>	<u>2,834,500</u>	<u>7,388,233</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>472,408</u>	<u>1,994,005</u>	<u>(1,167,437)</u>	<u>(3,161,442)</u>
OTHER FINANCING SOURCE (Uses):				
Interfund Transfers Out	<u>(472,408)</u>	<u>(1,994,005)</u>	<u>(526,795)</u>	<u>(3,161,442)</u>
NET CHANGE IN FUND BALANCE	-	-	(1,694,232)	(6,322,884)
FUND BALANCE (DEFICIT), July 1, 2021	<u>-</u>	<u>-</u>	<u>(435,790)</u>	<u>-</u>
FUND BALANCE (DEFICIT), June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,130,022)</u>	<u>\$ (2,130,022)</u>

NOTE: The COVID-19 Fund budgets are reimbursement-based and adopted on a grant/project basis.

See independent auditor's report and notes to required supplementary information.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Changes in Total OPEB Liability and Related Ratios
 For the Year Ended June 30, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service Cost	\$ 1,366,445	\$ 1,223,250	\$ 1,428,287	\$ 2,086,360	\$ 1,954,370
Interest	2,618,066	2,700,099	2,676,791	2,212,232	2,389,086
Differences between expected and actual experience	(1,179,542)	1,431,110	4,007,346	6,805,768	(34,373,047)
Changes in assumptions or other inputs	(3,353,359)	4,516,804	18,895,667	2,580,232	(1,930,370)
Benefits payments	<u>(2,736,704)</u>	<u>(2,887,223)</u>	<u>(3,435,792)</u>	<u>(3,337,930)</u>	<u>(3,021,564)</u>
Net change in total OPEB liability	(3,285,094)	6,984,040	23,572,299	10,346,662	(34,981,525)
Total OPEB liability, beginning	<u>74,498,695</u>	<u>71,213,601</u>	<u>78,197,641</u>	<u>101,769,940</u>	<u>112,116,602</u>
Total OPEB liability, ending	<u>\$ 71,213,601</u>	<u>\$ 78,197,641</u>	<u>\$ 101,769,940</u>	<u>\$ 112,116,602</u>	<u>\$ 77,135,077</u>
Covered employee payroll	<u>26,918,378</u>	<u>27,611,921</u>	<u>27,415,759</u>	<u>27,415,759</u>	<u>25,461,714</u>
Total OPEB Liability as a percentage of covered employee payroll	<u>264.55%</u>	<u>283.20%</u>	<u>371.21%</u>	<u>408.95%</u>	<u>302.95%</u>

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
 See independent auditor's report and notes to required supplementary information.*

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended June 30, 2022

Plan Year Ended June 30,	Employer Proportion of the Net Pension Liability	Employer Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana					
2014	0.62480%	\$ 63,861,579	\$ 25,104,474	254.4%	63.70%
2015	0.63711%	\$ 68,503,404	\$ 25,104,474	272.9%	62.50%
2016	0.65216%	\$ 76,544,168	\$ 28,208,877	271.3%	59.90%
2017	0.61988%	\$ 63,548,926	\$ 28,723,762	221.2%	65.55%
2018	0.60160%	\$ 59,124,877	\$ 28,013,533	211.1%	68.17%
2019	0.58559%	\$ 58,117,360	\$ 27,300,587	212.9%	68.57%
2020	0.58075%	\$ 64,600,023	\$ 28,459,412	227.0%	65.61%
2021	0.55759%	\$ 29,768,189	\$ 26,686,563	111.5%	83.90%
Louisiana School Employees' Retirement System					
2014	0.45170%	\$ 2,618,694	\$ 817,399	320.4%	76.18%
2015	0.38027%	\$ 2,411,376	\$ 1,040,688	231.7%	74.50%
2016	0.34689%	\$ 2,616,763	\$ 955,839	273.8%	70.09%
2017	0.28890%	\$ 1,848,768	\$ 827,033	223.5%	75.03%
2018	0.25897%	\$ 1,730,302	\$ 747,017	231.6%	74.44%
2019	0.23948%	\$ 1,676,480	\$ 696,727	240.6%	73.49%
2020	0.20487%	\$ 1,646,010	\$ 552,558	297.9%	69.67%
2021	0.18168%	\$ 863,565	\$ 423,755	203.8%	82.51%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
 See independent auditor's report and notes to required supplementary information.*

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Pension Contributions

For the Year Ended June 30, 2022

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
Teachers' Retirement System of Louisiana					
2015	\$ 7,531,342	\$ 7,768,993	\$ (237,651)	\$ 25,104,474	30.0%
2016	\$ 7,428,400	\$ 7,428,400	\$ -	\$ 28,208,877	26.3%
2017	\$ 7,328,811	\$ 7,328,811	\$ -	\$ 28,723,762	25.5%
2018	\$ 7,451,600	\$ 7,451,600	\$ -	\$ 28,013,533	26.6%
2019	\$ 7,289,257	\$ 7,289,257	\$ -	\$ 27,300,587	26.7%
2020	\$ 7,465,058	\$ 7,465,058	\$ -	\$ 28,711,761	26.0%
2021	\$ 7,342,528	\$ 7,342,528	\$ -	\$ 28,459,412	25.8%
2022	\$ 6,725,014	\$ 6,725,014	\$ -	\$ 26,686,563	25.2%
Louisiana School Employees' Retirement System					
2015	\$ 269,742	\$ 343,427	\$ (73,685)	\$ 1,040,688	25.9%
2016	\$ 287,945	\$ 287,945	\$ -	\$ 955,839	30.1%
2017	\$ 225,780	\$ 225,780	\$ -	\$ 827,033	27.3%
2018	\$ 206,177	\$ 206,177	\$ -	\$ 747,017	27.6%
2019	\$ 195,083	\$ 195,083	\$ -	\$ 696,727	28.0%
2020	\$ 182,436	\$ 182,436	\$ -	\$ 620,532	29.4%
2021	\$ 158,584	\$ 158,584	\$ -	\$ 552,558	28.7%
2022	\$ 121,618	\$ 121,618	\$ -	\$ 423,755	28.7%

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

See independent auditor's report and notes to required supplementary information.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

(1) Budgetary Comparison Schedules

The General Fund is the main operating fund of the School Board and accounts all financial resources and transactions not required to be accounted for elsewhere. The COVID-19 Relief Fund accounts for federal dollars received and expended as financial relief for public school systems in response to the Novel Coronavirus pandemic. The reported budgets, both the original and revised budgets, are prepared in conformity with generally accepted accounting principles (GAAP).

(2) Other Post-Employment Benefits Plan

The School Board is obligated to contribute some 80% of the cost of health and life insurance programs on behalf of its retirees. All financial information concerning the plan has been prepared by the School Board's independently contracted actuary and has been prepared and reported in conformity with Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

There were no changes in benefit terms to the plans or health trend rates during the year ended June 30, 2022. The mortality rates derived from the Society of Actuaries' RP-2000 table.

The following are the discount rates and trends used in each period:

<u>Period</u>	<u>Discount Rate</u>	<u>Trend</u>
2018	3.87%	5.5%
2019	3.50%	5.5%
2020	2.21%	5.5%
2021	2.16%	5.5%
2022	3.54%	4.5-5.5%

No assets are accumulated in a trust that meets the definition of GASBS No. 75, paragraph 4, to pay related benefits.

(3) Proportionate Share of the Net Pension Liability and Contributions to State Retirement Systems

These two schedules are presented pursuant to the requirements of GASB Statement 68 - *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, and Statement Number 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, both of which were implemented by the School Board during the year ended June 30, 2015.

Changes of benefit terms: There were no changes to benefit terms during the year ended June 30, 2021 for either the Teachers Retirement System of Louisiana or the Louisiana School Employees Retirement System.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)

June 30, 2022

Changes of assumptions: Changes of assumptions for the Teachers Retirement System of Louisiana and the Louisiana School Employees Retirement System are as follows:

Teacher Retirement System of Louisiana

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.750%	7.750%	2.500%	5	3.5% - 10.0%
2016	7.750%	7.750%	2.500%	5	3.5% - 10.0%
2017	7.750%	7.750%	2.500%	5	3.5% - 10.0%
2018	7.700%	7.700%	2.500%	5	3.5% - 10.0%
2019	7.650%	7.650%	2.500%	5	3.3% - 4.8%
2020	7.550%	7.550%	2.500%	5	3.3% - 4.8%
2021	7.450%	7.450%	2.300%	5	3.1% - 4.6%
2022	7.400%	7.400%	2.300%	5	3.1% - 4.6%

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

Louisiana School Employees Retirement System

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
2015	7.2500%	7.2500%	2.750%	3	3.2% - 5.5%
2016	7.0000%	7.0000%	2.750%	3	3.2% - 5.5%
2017	7.1300%	7.1300%	2.625%	3	3.075% - 5.375%
2018	7.1300%	7.1300%	2.625%	3	3.075% - 5.375%
2019	7.0625%	7.0625%	2.500%	3	3.25%
2020	7.0000%	7.0000%	2.500%	3	3.25%
2021	7.0000%	7.0000%	2.500%	3	3.25%
2022	6.9000%	6.9000%	2.500%	3	3.25%

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

OTHER SUPPLEMENTARY INFORMATION

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Special Revenue Funds – Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. All Special Revenue Funds except the School Food Service fund are operated on a cost-reimbursement basis.

EVERY STUDENT SUCCEEDS ACT (ESSA)

Title I - This federal program focuses on basic academic skills for at-risk and low-income students. Eligibility is determined by socio-economic status of the student population.

Titles II, III, IV – Title II funding provides federal monies for elevating teacher and principal quality through staff development and through personnel recruitment, hiring, and retention strategies. Title III monies provide additional services to those speaking English as a second language. Title IV authorizes federal program dollars to be spent in broadening the spectrum of educational services provided, promoting safe and healthy students, and supporting the effective use of technology.

Individuals With Disabilities Education Act (IDEA) - This program provides federally-funded free education in the least restrictive environment for those students with physical and mental exceptionalities.

Vocational Education - This fund accounts for federal monies used to implement the Carl D. Perkins Vocational Act to prepare students for occupational choices and employment opportunities.

Head Start- This fund is used to account for funds received and expended through the Head Start program administered through the United States Department of Health and Human Services. This program provides funding for comprehensive early childhood education, health, nutrition, and parental involvement services to low-income children and their families.

School Food Service - This fund includes lunch and breakfast operations and accounts for the financial activities of the school food service program in the school system during the regular school term as well as the summer. The basic goals of this program are to serve nutritionally adequate, attractive, and moderately priced meals, to help children grow both socially and emotionally, to extend educational influence to the home of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

School Activity - This fund accounts for monies used to support cocurricular and extracurricular student activities.

Debt Service Fund - This fund is used to account for the accumulation of resources for and ultimately the retirement of long-term indebtedness. The fund's primary revenue source is Ad Valorem taxes that are collected to pay the principal and interest associated with voter-approved long-term borrowings.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

As of June 30, 2022

	SPECIAL REVENUE FUNDS							TOTAL	DEBT SERVICE	GRAND TOTAL
	ESSA TITLE I	ESSA TITLES II,III,IV	IDEA	CARL PERKINS VOCATIONAL	HEAD START	SCHOOL FOOD SERVICE	SCHOOL ACTIVITY			
ASSETS										
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,428	\$ 1,056,738	\$ 1,544,166	\$ 2,886,230	\$ 4,430,396
Due from Other Governments	598,883	165,739	663,774	34,013	677,225	95,998	-	2,235,632	357	2,235,989
Inventory	-	-	-	-	-	135,768	-	135,768	-	135,768
Total Assets	\$ 598,883	\$ 165,739	\$ 663,774	\$ 34,013	\$ 677,225	\$ 719,194	\$ 1,056,738	\$ 3,915,566	\$ 2,886,587	\$ 6,802,153
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts and Other Payables	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 21,497	\$ -	\$ 21,547	\$ -	\$ 21,547
Salaries Payables	17,881	4,097	13,558	-	48,397	64,871	-	148,804	-	148,804
Interfund Payables	581,002	161,642	650,216	34,013	628,778	59,647	-	2,115,298	-	2,115,298
Total Liabilities	598,883	165,739	663,774	34,013	677,225	146,015	-	2,285,649	-	2,285,649
Fund Balances:										
Nonspendable	-	-	-	-	-	135,768	-	135,768	-	135,768
Restricted	-	-	-	-	-	437,411	1,056,738	1,494,149	2,886,587	4,380,736
Total Fund Balances	-	-	-	-	-	573,179	1,056,738	1,629,917	2,886,587	4,516,504
TOTAL LIABILITIES AND FUND BALANCES	\$ 598,883	\$ 165,739	\$ 663,774	\$ 34,013	\$ 677,225	\$ 719,194	\$ 1,056,738	\$ 3,915,566	\$ 2,886,587	\$ 6,802,153

See independent auditor's report.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS							TOTAL	DEBT SERVICE	GRAND TOTAL
	ESSA TITLE I	ESSA TITLES II,III,IV	IDEA	CARL PERKINS VOCATIONAL	HEAD START	SCHOOL FOOD SERVICE	SCHOOL ACTIVITY			
REVENUES										
Local Sources										
Ad Valorem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,348,375	\$ 4,348,375
Charges for services	-	-	-	-	-	48,595	-	48,595	-	48,595
Other	-	-	-	-	-	-	1,225,056	1,225,056	1,267	1,226,323
State Grants - Minimum Foundation Prgrm	-	-	-	-	-	-	-	-	-	-
Federal Grants	1,053,766	280,608	1,079,502	47,559	1,665,734	3,070,851	-	7,198,020	-	7,198,020
TOTAL REVENUES	<u>1,053,766</u>	<u>280,608</u>	<u>1,079,502</u>	<u>47,559</u>	<u>\$ 1,665,734</u>	<u>3,119,446</u>	<u>\$ 1,225,056</u>	<u>8,471,671</u>	<u>4,349,642</u>	<u>12,821,313</u>
EXPENDITURES										
Current:										
Instruction:										
Regular Instruction	5,212	-	-	-	-	-	357,866	363,078	-	363,078
Special Instruction	-	-	519,293	-	-	-	-	519,293	-	519,293
Vocational Programs	-	-	-	26,691	-	-	37,685	64,376	-	64,376
All Other Programs	390,242	106,193	-	-	1,452,988	-	664,979	2,614,402	-	2,614,402
Support Services:										
Pupil Support	-	-	439,892	20,868	42,398	-	-	503,158	-	503,158
General Administration	-	-	-	-	-	-	-	-	139,054	139,054
Instructional Staff Support	566,334	155,335	55,285	-	58,945	-	-	835,899	-	835,899
Business Services	-	-	-	-	-	-	38,232	38,232	-	38,232
Plant Services	-	-	-	-	-	80,704	-	80,704	-	80,704
Pupil Transportation	-	-	-	-	567	19,108	-	19,675	-	19,675
Food Services	-	-	-	-	-	3,111,966	-	3,111,966	-	3,111,966
Community Services	18,616	-	-	-	-	-	-	18,616	-	18,616
Capital Outlay	-	-	-	-	-	27,843	-	27,843	-	27,843
Debt Service:										
Principal Retirement	-	-	-	-	-	-	-	-	1,077,331	1,077,331
Interest and Bank Charges	-	-	-	-	-	-	-	-	1,089,173	1,089,173
Issuance Costs	-	-	-	-	-	-	-	-	1,264,735	1,264,735
TOTAL EXPENDITURES	<u>980,404</u>	<u>261,528</u>	<u>1,014,470</u>	<u>47,559</u>	<u>1,554,898</u>	<u>3,239,621</u>	<u>1,098,762</u>	<u>8,197,242</u>	<u>3,570,293</u>	<u>11,767,535</u>
EXCESS OF REVENUES OVER EXPENDITURES	73,362	19,080	65,032	-	110,836	(120,175)	126,294	274,429	779,349	1,053,778
OTHER FINANCING SOURCES/(USES):										
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(58,521,113)	(58,521,113)
Redemption of Principal	-	-	-	-	-	-	-	-	(6,875,000)	(6,875,000)
Proceeds from issuance- General obligation refunding bonds	-	-	-	-	-	-	-	-	61,730,000	61,730,000
Interfund Transfers In	-	-	-	-	-	196,730	-	196,730	-	196,730
Interfund Transfers Out	(73,362)	(19,080)	(65,032)	-	(110,836)	-	-	(268,310)	-	(268,310)
TOTAL OTHER SOURCES / (USES)	<u>(73,362)</u>	<u>(19,080)</u>	<u>(65,032)</u>	<u>-</u>	<u>(110,836)</u>	<u>196,730</u>	<u>-</u>	<u>(71,580)</u>	<u>(3,666,113)</u>	<u>(3,737,693)</u>
NET CHANGES IN FUND BALANCES	-	-	-	-	-	76,555	126,294	202,849	(2,886,764)	(2,683,915)
FUND BALANCE - BEGINNING	-	-	-	-	-	496,624	930,444	1,427,068	5,773,351	7,200,419
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573,179</u>	<u>\$ 1,056,738</u>	<u>\$ 1,629,917</u>	<u>\$ 2,886,587</u>	<u>\$ 4,516,504</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS
Comparative Balance Sheet
As of June 30, 2022 and June 30, 2021

	TOTALS	
	2022	2021
ASSETS		
Cash and Cash Equivalents	\$36,426,685	\$16,621,852
Due from Other Governments	6,161,606	3,209,097
Interfund Receivables	4,032,467	1,994,130
Inventory	135,768	169,230
Other Assets	<u>154,230</u>	<u>58,975</u>
Total Assets	<u>\$ 46,910,756</u>	<u>\$22,053,284</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts and Other Payables	\$ 2,327,114	1,788,290
Salaries Payables	3,591,104	3,991,260
Interfund Payables	<u>4,032,467</u>	<u>1,994,130</u>
Total Liabilities	<u>9,950,685</u>	<u>7,773,680</u>
Deferred Inflows of Resources:		
Unavailable Revenues	<u>3,640,022</u>	<u>435,790</u>
Fund Balances:		
Nonspendable	289,998	228,205
Restricted for:		
School Food Service	437,411	327,394
School Activities	1,056,738	930,444
Capital Project Fund	21,515,103	
Debt Service	2,886,587	5,773,351
Committed - Self-Insurances	3,838,478	2,087,390
Unassigned	<u>3,295,734</u>	<u>4,497,030</u>
Total Fund Balances	<u>33,320,049</u>	<u>13,843,814</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
	<u>\$ 46,910,756</u>	<u>\$22,053,284</u>

See independent auditor's report.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS

Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2022 and June 30, 2021

	TOTALS	
	2022	2021
REVENUES		
Local Sources:		
Taxes: Ad Valorem	\$ 31,069,985	31,780,035
Sales and Use	17,704,692	20,084,718
Charges for Services	138,335	45,718
Interest Earnings	1,908	0
Other	<u>1,733,994</u>	<u>1,697,252</u>
Total Local Sources	<u>50,648,914</u>	<u>53,607,723</u>
State Sources:		
Minimum Foundation Program	10,421,638	10,815,536
Other	<u>541,077</u>	<u>547,369</u>
Total State Sources	<u>10,962,715</u>	<u>11,362,905</u>
Federal Sources	<u>9,079,013</u>	<u>9,091,876</u>
Total revenues	<u>70,690,642</u>	<u>74,062,504</u>
EXPENDITURES		
Current:		
Instruction:		
Regular Programs	21,029,185	22,620,772
Special Programs	5,294,180	5,416,110
Vocational Programs	968,664	927,102
All Other Programs	5,516,311	6,341,026
Support Services:		
Pupil Support	4,401,895	4,787,506
Instructional Staff Support	2,755,304	2,945,465
General Administration	3,427,899	2,694,335
School Administration	4,047,687	4,176,255
Business Services	722,394	742,069
Plant Services	16,147,220	6,228,844
Pupil Transportation	4,505,902	4,208,814
Central Services	1,401,798	1,345,337
Food Services	3,127,242	3,422,425
Community Services	78,616	82,891
Capital Outlay	2,294,060	1,397,339
Debt Service:		
Principal Retirement	1,540,740	5,073,939
Interest and Bank Charges	1,117,665	2,164,949
Issuance Costs	<u>1,264,735</u>	<u>-</u>
Total expenditures	<u>79,641,497</u>	<u>74,575,178</u>

(continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS

Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances (continued)

For the Years Ended June 30, 2022 and June 30, 2021

	TOTALS	
	2022	2021
Deficiency of revenues over expenditures	<u>(8,950,855)</u>	<u>(512,674)</u>
Other financing sources (uses):		
Insurance Proceeds	2,093,203	266,248
Payment to Refunded Bond Escrow Agent	(58,521,113)	-
Redemption of Principal	(6,875,000)	-
Proceeds From Issuance of Debt:		
Notes Payable	30,000,000	-
General Obligation Refunding Bonds	61,730,000	-
Transfers In	991,835	516,398
Transfers Out	<u>(991,835)</u>	<u>(516,398)</u>
Total other financing sources	<u>28,427,090</u>	<u>266,248</u>
Net changes in fund balances	19,476,235	(246,426)
Fund balances, beginning	<u>13,843,814</u>	<u>14,090,240</u>
Fund balances, ending	<u>\$ 33,320,049</u>	<u>\$ 13,843,814</u>

See independent auditor's report.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Compensation Paid to School Board Members For the Year Ended June 30, 2022

The Schedule of Compensation Paid Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Board is included in the General Administration line item in the General Fund. In accordance with Louisiana Statutes Annotated Revised Statute 17:56, board members have elected the monthly payment method of compensation. Each member receives \$800 per month, and the president receives \$900 per month for performing the duties of their office.

<u>SCHOOL BOARD MEMBER</u>	<u>DISTRICT</u>	<u>COMPENSATION PAID</u>
Diana A. Cantillo	1	\$ 9,600
Kenneth J. Foret, Sr, Board Vice President	2	9,600
Sue Beier	3	9,600
George N. Nassar, Jr.	4	9,600
Dianne Spencer	5	9,600
Nicole Florent Charles	6	9,600
Raymond Gros, Board President	7	10,800
TOTAL		<u>\$ 68,400</u>

See independent auditor's report.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Superintendent For the Year Ended June 30, 2022

P. Edward Cancienne, Ph.D., served as Superintendent from July 1, 2016 to February 4, 2022.
Kelly Cook has served as Interim Superintendent since February 5, 2022.

Nature of Payment	P. Cancienne	K. Cook
<u>Contractual Compensation:</u>		
Salary	\$ 105,000	\$ 56,750
Unvouchered Expense Allowance	8,750	-
Annual Base Compensation	113,750	56,750
Teachers Retirement System of Louisiana		
Contributions on Base Compensation	9,100	14,301
Medicare Tax on Base Compensation	1,649	823
Board Contributed Medical Insurance	8,306	6,972
Employee Benefits	19,055	22,096
TOTALS	\$ 132,805	\$ 78,846

See independent auditor's report.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through/ Entity Identifying Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Child Nutrition Cluster</i>			
Passed through Louisiana Department of Agriculture:			
National School Lunch Program - Non-Cash Assistance	10.555	N/A	\$ 271,260
National School Lunch Program	10.555	N/A	1,987,053
Total National School Lunch Program			2,258,313
School Breakfast Program	10.553	N/A	686,037
Summer Food Service Program for Children	10.559	N/A	95,998
<i>Total Child Nutrition Cluster</i>			3,040,348
PEBT Administrative Funds	10.649	N/A	3,063
Child and Adult Care Food Program	10.558	N/A	200,597
Total United States Department of Agriculture			3,244,008
UNITED STATES DEPARTMENT OF DEFENSE			
ROTC	None	N/A	3,995
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	84.010		
Title I		28-22-T1-47	962,100
		28-21-T1-47	63,832
Direct Student Services		28-22-DSS-47	27,202
		28-21-DSS-47	632
Total Title I Grants to Local Educational Agencies			1,053,766
<i>Special Education Cluster</i>			
Special Education - Grants to States (IDEA, Part B)	84.027		
IDEA - Part B		28-22-B1-47	688,326
		28-21-B1-47	227,421
Total Special Education - Grants to States (IDEA, Part B)			915,747
Special Education - Preschool Grants (IDEA Preschool)	84.173		
IDEA Preschool 619		28-22-P1-47	21,460
		28-21-P1-47	23,798
Total Special Education - Preschool Grants (IDEA Preschool)			45,258
<i>Total Special Education Cluster</i>			961,005
Career and Technical Education - Basic Grants to States	84.048		
		28-22-02-47	40,630
		28-21-02-47	6,929
Total Career and Technical Education Programs			47,559
Title III, English Language Acquisition	84.365	28-22-60-47	2,419
Title II, Supporting Effective Instruction	84.367		
Title IIA		28-22-50-47	161,192
		28-21-50-47	8,493
Total Title II, Supporting Effective Instruction			169,685

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Expenditures of Federal Awards (continued) For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through/ Entity Identifying Number	Expenditures
Title IV A - Student Support and Academic Enrichment Program	84.424	28-22-71-47 28-21-71-47	66,305 42,199 <u>108,504</u>
COVID-19 - Education Stabilization Fund	84.425D	28-21-ES2F-47	<u>1,485,384</u>
COVID-19 - ESSERF II - Formula			
COVID-19 - Education Stabilization Fund	84.425U		
COVID-19 - ESSERF III EB Interventions		28-21-ESEB-47	1,053,534
COVID-19 - ESSERF III - Formula		28-21-ES3F-47	768,164
COVID-19 - ESSERF III - Incentive		28-21-ES3I-47	4,213
Total COVID-19 - Education Stabilization Fund (ALN 84.425U)			<u>1,825,911</u>
Total COVID-19 - Education Stabilization Fund			<u>3,311,295</u>
Total United States Department of Education			<u>5,654,233</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Award:			
<u>Head Start Cluster</u>			
Head Start	93.600		
COVID-19 - Head Start		N/A	50,000
Head Start		N/A	1,615,734
Total Head Start Cluster			<u>1,665,734</u>
Passed through Louisiana Department of Education:			
<u>CCDF Cluster</u>			
Childcare and Development Block Grant	93.575		
COVID-19 - CCR CCDF		28-21-CCCR-47	50,000
EC Network Lead Agency Consolidated- CCDF		28-22-C0-47	10,848
Total CCDF Cluster			<u>60,848</u>
Total United States Department of Health and Human Services			<u>1,726,582</u>
UNITED STATES FEDERAL COMMUNICATIONS COMMISSION			
Direct Award:			
Emergency Connectivity Fund	32.009	N/A	<u>1,510,000</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants-Public Assistance-Presidentially Declared Disasters	97.036	1786-PA-LA	15,984
Disaster Grants-Public Assistance-Presidentially Declared Disasters		4611-PA-LA	128,350
Total United States Department of Homeland Security			<u>144,334</u>
Total expenditures of federal awards			<u>\$ 12,283,152</u>

See independent auditor's report and notes to schedule of expenditures of federal awards.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the St. James Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the financial statements for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position or change in net position of the School Board.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through identifying numbers are presented where available. The School Board has not elected to use the 10 percent de minimis indirect cost rate.

(3) Commodities

Nonmonetary assistance in the amount of \$271,260 is reported in the schedule at the fair market value of the commodities received and consumed. At June 30, 2022, the School Board had \$86,281 of commodities remaining in inventory.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

June 30, 2022

(4) Relationship to Fund Financial Statements

Federal financial assistance is reported in the School Board's fund financial statements as follows:

Revenues -

Major Governmental Fund:

General Fund	\$ 85,580
Hurricane Ida	128,350
Head Start	1,665,734
COVID-19	1,667,063

Other Governmental Funds:

Title I	1,053,766
Title II, III, and IV	280,608
IDEA	1,079,502
Vocational Education	47,559
School Food Service	3,071,031
Plus School Food Service - Emergency Cost Grant revenue recognized in prior year	207,615
Less Supply Chain Assistance Funds Not Yet Expended	(34,638)
Less High Cost State MFP funding	(118,497)
Less Jobs for Americas Graduates (JAG) funding	(54,753)

Deferred Inflows -

Add Current Year COVID-19 Deferred Inflows	3,640,022
Less Prior Year COVID-19 Deferred Inflows	(435,790)

Total \$ 12,283,152

(5) Subrecipients

The School Board provided no federal awards to subrecipients.

(6) Donated PPE Purchased with Federal Assistance Funds for the COVID-19 Response

The School Board did not receive donated PPE purchased with federal assistance funds for the COVID-19 response.

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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

Ms. Kelly Morton Cook, Interim Superintendent,
and Members of the St. James Parish School Board
Lutcher, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. James Parish School Board (hereinafter, "School Board"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 30, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board’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 School Board’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

Ms. Kelly Morton Cook, Interim Superintendent,
and Members of the St. James Parish School Board
Lutcher, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. James Parish School Board's (the School Board) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2022. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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 the provisions of contracts or grant agreements applicable to the School Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or

detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 30, 2022

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Part I. Summary of Auditor's Results

Financial Statements

1. Type of auditor's opinion issued on financial statements:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Major funds:	
General Fund	Unmodified
COVID-19 Relief Fund	Unmodified
Hurricane Ida Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

3. Noncompliance material to the financial statements?

_____ yes _____ no

Federal Awards

4. Internal control over major federal programs:

Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

5. Major programs and type of auditor's report issued:

Assistance Listing Number	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
	<u>U.S. Department of Agriculture</u>	
	<i>Child Nutrition Cluster</i>	
10.555	National School Lunch Program	Unmodified
10.553	School Breakfast Program	Unmodified
10.559	Summer Food Service Program for Children	Unmodified
	<u>U.S. Federal Communications Commission</u>	
32.009	Emergency Connectivity Fund	Unmodified
	<u>U.S. Department Education</u>	
84.010	Title I - Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)?

_____ yes _____ no

7. Threshold for distinguishing type A and B programs?

\$ 750,000

8. Qualified as a low-risk auditee?

_____ yes _____ no

Other

9. Management letter issued?

_____ yes _____ no

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

Part II. Findings Reported in Accordance with *Government Auditing Standards*:

Internal Control Findings –

No findings are reported under this section.

Compliance Findings –

No findings are reported under this section.

Part III. Findings and questioned costs for Federal Awards:

Compliance –

No findings are reported under this section.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

APPENDIX A

Kelly Morton Cook,
Interim Superintendent

Raymond Gros, President,
District 7

Kenneth Foret, Vice-
President, District 2



ST. JAMES
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Inspiring Hope and Purpose

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Diana Cantillo, District 1
Sue Beier, District 3
George Nassar, District 4
Dianne Spencer, District 5
Nicole Charles Florent,
District 6

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022**

Findings reported in accordance with *Government Auditing Standards*

Internal Control –

None reported.

Compliance –

2021-001 – Local Government Budget Act

CONDITION: The School Board failed to adopt a budget for the COVID-19 Relief Fund prior to September 15th of the fiscal year.

CURRENT STATUS: This issue did not reoccur.

Findings for federal awards defined in the Uniform Guidance

Compliance–

None reported.

Management Letter Findings

A management letter was not issued in the prior period.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

APPENDIX B

There are no items requiring corrective action.

ST. JAMES PARISH SCHOOL BOARD

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2021 through June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
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Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
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C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

Ms. Kelly Morton Cook, Interim Superintendent,
Members of the St. James Parish School Board, and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The management of the St. James Parish School Board (hereinafter "SJPSB") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that the SJPSB has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions, if any, are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the subcategories noted above.

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

Written policies and procedures were obtained and address the subcategories noted above.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the subcategories noted above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and address the subcategories noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and address the subcategories noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and address the subcategories noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and address the subcategories noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the subcategories noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and address the subcategories noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the subcategories noted above.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained but address only subcategory (3) periodic testing/verification that backups can be restored.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained but address only subcategory (1) agency responsibilities and prohibitions.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

Obtained and inspected board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period.

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Minutes do not reference or include monthly or quarterly budget-to-actual comparisons.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were found as a result of this procedure. The General Fund did not report a negative ending unassigned fund balance in the prior year.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account, and four (4) additional accounts were randomly selected. Obtained and inspected the corresponding bank statements and reconciliations for each account.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions were found as a result of this procedure.

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

The main operating account is reviewed by a member of management who posts ledgers.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Management does not maintain documentation reflecting that it has researched items outstanding for more than 12 months for three (3) of the selected accounts.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected five (5) deposit sites.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained a listing of collection locations for each deposit site from management and management's representation that the listing is complete. Randomly selected one (1) collection location for each deposit site.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed that the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

Randomly selected two (2) deposit dates for the selected bank accounts under procedure #3 and obtained supporting documentation for each of the deposits.

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

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

Three (3) collections selected were not deposited within one business day of receipt.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly selected five (5) locations.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Obtained a listing of employees involved in non-payroll purchasing and payment functions and obtained a description of employee job duties based on written documentation or inquiry.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were found as a result of this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were found as a result of this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were found as a result of this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were found as a result of this procedure.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Obtained the non-payroll disbursement population for each location selected and management's representation that the population is complete. Randomly selected five (5) disbursements for each location and obtained supporting documentation.

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions were identified at three (3) of the five (5) selected location as follows:

Location 1- The underlying contract for one (1) selected disbursement was not signed.

Location 2- Documentation for three (3) of the disbursements selected did not evidence approval or receipt of goods.

Location 3- Documentation for one (1) of the disbursements selected did not evidence approval of a wire transfer.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers from management, the names of the persons who maintained possession of the cards, and management's representation that the listing is complete.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:

Randomly selected SJPSB's four (4) cards and one monthly statement for each.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]]

Two (2) of the four (4) selected statements were not approved in writing by someone other than the authorized card holders.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Two (2) of the ten (10) transactions selected for one (1) of the four (4) credit cards selected were not supported by itemized receipts identifying precisely what was purchased nor were the individuals participating in the meals documented.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) reimbursements.

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

No exceptions were found as a result of this procedure.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions were found as a result of this procedure.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) contracts.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were found as a result of this procedure.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions were found as a result of this procedure.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

No exceptions were found as a result of this procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) employees or officials and agreed paid salaries to authorized salaries/pay rates in personnel files with no exceptions.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were found as a result of this procedure.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions were found as a result of this procedure.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were found as a result of this procedure.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Obtained a listing of all employees and officials that received termination payments during the fiscal period and management's representation that the listing is complete. Selected two (2) employees or officials and performed the procedures above noting no exceptions.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Obtained management's representation that all amounts have been paid and any associated forms have been filed by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Two selected employees/officials did not complete ethics training during the fiscal period.

- b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no changes to the ethics policy during the fiscal period.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No exceptions were found as a result of this procedure.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions were found as a result of this procedures.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Obtained management's representation that there were no misappropriations of public funds and assets during the fiscal period.

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

No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the result with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under ‘Payroll and Personnel’ above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

The annual report required by R.S. 42:344 was not prepared. Therefore, the procedures below are not applicable.

- a. Number and percentage of public servants in the agency who have completed the training requirements;

Not applicable

- b. Number of sexual harassment complaints received by the agency;

Not applicable

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable

- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Not applicable

- e. Amount of time it took to resolve each complaint.

Not applicable

Management’s Response

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

We were engaged by the SJPSB 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 provisions of *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 those control and compliance 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 SJPSB 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is also intended solely for the information of and use by the SJPSB and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 30, 2022