



ST. JAMES PARISH SCHOOLS

Inspiring Hope and Purpose

FINANCIAL REPORT
As of and For the Year Ended June 30, 2021

ST. JAMES PARISH SCHOOL BOARD
LUTCHER, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Dr. P. Edward Cancienne, Jr., Superintendent,
and Members of the St. James Parish School Board
Lutcher, Louisiana

Report on the Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously 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, 2021, 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.

Emphasis of Matter

As described in Note Q, during the year ended June 30, 2021, the School Board implemented the provisions of the Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require certain information be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 budgetary comparison schedules for the General Fund, Head Start Fund, and COVID-19 Relief Fund (pages 49-51); schedule of changes in OPEB liability and related ratios (page 52); schedule of employer's proportionate share of net pension liability (page 53); schedule of employer pension contributions (page 54); or notes to required supplementary information (pages 55-56) 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.

Other 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 combining nonmajor fund financial statements, comparative statements, and schedules of compensation paid to school board members and compensation, benefits and other payments to superintendent, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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 on pages 66-69 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The combining nonmajor fund financial statements on pages 59-60, comparative statements on pages 61-63, schedule of compensation paid to school board members on page 64, and schedule of compensation, benefits and other payments to superintendent on page 65 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
January 25, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

STATEMENT OF NET POSITION

As of June 30, 2021

ASSETS	
Cash and Cash Equivalents	\$ 16,621,852
Receivables	3,209,097
Inventory	169,230
Other Assets	58,975
Capital assets:	
Land and Work in Progress	2,402,231
Buildings and Equipment, Net of Accumulated Depreciation	<u>105,153,934</u>
Total Assets	<u>127,615,319</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension Liability	17,143,005
Deferred Outflows Related to Other Post-employment Benefits	25,215,886
Deferred Amount on Refunding Bond Issue	<u>342,754</u>
Total Deferred Outflows of Resources	<u>42,701,645</u>
LIABILITIES	
Accounts, Salaries, and Other Payables	5,779,105
Interest Payable	663,352
Long-term Liabilities:	
Due Within One Year:	
Compensated Absences Payable	129,704
Judgments Payable	900,142
Bonds and Capital Leases Payable	5,453,973
Due in More Than One Year:	
Compensated Absences Payable	2,032,021
Judgments Payable	451,282
Bonds and Capital Leases Payable	59,100,014
Other Post-employment Benefits	112,116,602
Net Pension Liability	<u>66,246,033</u>
Total Liabilities	<u>252,872,228</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension Liability	4,136,254
Deferred Inflows Related to Other Post-Employment Benefits	<u>2,719,741</u>
Total Deferred Inflows of Resources	<u>6,855,995</u>
NET POSITION	
Net Investment in Capital Assets	44,608,320
Restricted for:	
School Food Service	327,394
School Activities	930,444
Debt Service	5,773,351
Unrestricted (Deficit)	<u>(141,050,768)</u>
Total net position (deficit)	<u>\$ (89,411,259)</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2021

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	\$ 26,869,125	\$ -	\$ 515,528	\$ (26,353,597)
Special Programs	6,231,184	-	616,583	(5,614,601)
Vocational Programs	974,658	-	209,406	(765,252)
All Other Programs	6,935,284	24,278	3,396,438	(3,514,568)
Support Services:				
Pupil Support	5,434,510	-	239,762	(5,194,748)
Instructional Staff Support	3,274,077	-	940,132	(2,333,945)
General Administration	6,716,635	-	4,091	(6,712,544)
School Administration	4,661,705	-	18,685	(4,643,020)
Business Services	943,722	-	3,306	(940,416)
Plant Services	6,454,982	-	174,405	(6,280,577)
Pupil Transportation	4,442,721	-	623,960	(3,818,761)
Central Services	1,470,051	-	51,130	(1,418,921)
Food Services	3,852,828	21,440	4,020,082	188,694
Community Services	84,635	-	24,648	(59,987)
Interest on Long-Term Debt	1,979,996	-	-	(1,979,996)
Total Governmental Activities	\$ 80,326,113	\$ 45,718	\$ 10,838,156	\$ (69,442,239)

General Revenues	
Taxes:	
Property taxes, levied for general purposes	25,036,131
Property taxes, levied for debt service	6,743,904
Sales and use taxes, levied for general purposes	20,084,718
Grants and contributions not restricted to specific purposes:	
Minimum Foundation Program	10,649,728
Miscellaneous	851,957
Insurance Proceeds	50,688
Total General Revenues	63,417,126
Change in Net Position	(6,025,113)
Net Position (Deficit), July 1, 2020, as restated	(83,386,146)
Net Position (Deficit), June 30, 2021	\$ (89,411,259)

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

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.

Head Start Fund

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.

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 Corona Virus pandemic.

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

GOVERNMENTAL FUNDS

Balance Sheet

As of June 30, 2021

	MAJOR FUNDS				Other Nonmajor Governmental	TOTALS
	General	Head Start	COVID-19 Relief	Debt Service		
ASSETS						
Cash and Cash Equivalents	\$ 9,775,403	\$ -	\$ -	\$ 5,784,771	\$ 1,061,678	\$ 16,621,852
Due From Other Governments	571,575	822,904	639,887	2,319	1,172,412	3,209,097
Interfund Receivables	1,994,130	-	-	-	-	1,994,130
Inventory	-	-	-	-	169,230	169,230
Other Assets	58,975	-	-	-	-	58,975
Total Assets	<u>\$ 12,400,083</u>	<u>\$ 822,904</u>	<u>\$ 639,887</u>	<u>\$ 5,787,090</u>	<u>\$ 2,403,320</u>	<u>\$ 22,053,284</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts and Other payables	\$ 1,651,988	\$ 298	\$ 94,014	\$ 13,739	\$ 27,806	\$ 1,787,845
Salaries Payables	3,668,465	45,783	143,174	-	133,838	3,991,260
Interfund Payables	-	776,823	402,699	-	814,608	1,994,130
Total Liabilities	<u>5,320,453</u>	<u>822,904</u>	<u>639,887</u>	<u>13,739</u>	<u>976,252</u>	<u>7,773,235</u>
Deferred Inflows of Resources:						
Unavailable Revenues	-	-	435,790	-	-	435,790
Fund Balances:						
Nonspendable	58,975	-	-	-	169,230	228,205
Restricted for:						
School food service	-	-	-	-	327,394	327,394
School activities	-	-	-	-	930,444	930,444
Debt Service	-	-	-	5,773,351	-	5,773,351
Committed - Self-Insurances	2,087,390	-	-	-	-	2,087,390
Unassigned (deficit)	4,933,265	-	(435,790)	-	-	4,497,475
Total Fund Balances (deficit)	<u>7,079,630</u>	<u>-</u>	<u>(435,790)</u>	<u>5,773,351</u>	<u>1,427,068</u>	<u>13,844,259</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
	<u>\$ 12,400,083</u>	<u>\$ 822,904</u>	<u>\$ 639,887</u>	<u>\$ 5,787,090</u>	<u>\$ 2,403,320</u>	<u>\$ 22,053,284</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Balance Sheet (continued)
As of June 30, 2021

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

Total Fund Balances at June 30, 2021 - Governmental Funds		\$ 13,844,259
Cost of capital assets at June 30, 2021	\$ 159,098,781	
Less: Accumulated Depreciation as of June 30, 2021:		
Buildings	(47,227,805)	
Furniture, Fixtures, and Equipment	<u>(4,314,811)</u>	
		107,556,165
Deferred Amount on Refunding Bond Issue		342,754
Long-Term Liabilities at June 30, 2021:		
Long-Term Debt	(64,553,987)	
Accrued Interest Payable	(663,352)	
Other Post-Employment Benefits	(112,116,602)	
Net Pension Liability	(66,246,033)	
Judgments	(1,351,424)	
Compensated Absences Payable	<u>(2,161,725)</u>	
		(247,093,123)
Deferred Inflows and Deferred Outflows of Resources:		
Deferred Amounts Related to Other Post Employment Benefits	22,496,145	
Deferred Amounts Related to Pension Liability	13,006,751	
Deferred Amounts Related to Unavailable Revenues	<u>435,790</u>	
		<u>35,938,686</u>
NET POSITION - Governmental Activities		<u>\$ (89,411,259)</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	MAJOR FUNDS					TOTALS
	General	Head Start	COVID-19 Relief	Debt Service	Other Nonmajor Governmental	
REVENUES						
Local Sources:						
Taxes: Ad Valorem	\$ 25,036,131	\$ -	\$ -	\$ 6,743,904	\$ -	\$ 31,780,035
Sales and Use	20,084,718	-	-	-	-	20,084,718
Charges for Services	24,278	-	-	-	21,440	45,718
Interest Earnings	-	-	-	-	-	-
Other	855,712	-	-	-	841,540	1,697,252
Total Local Sources	<u>46,000,839</u>	<u>-</u>	<u>-</u>	<u>6,743,904</u>	<u>862,980</u>	<u>53,607,723</u>
State Sources:						
Minimum Foundation Program	10,815,536	-	-	-	-	10,815,536
Other	547,369	-	-	-	-	547,369
Total State Sources	<u>11,362,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,362,905</u>
Federal Sources	<u>212,607</u>	<u>1,748,582</u>	<u>1,134,382</u>	<u>-</u>	<u>5,996,305</u>	<u>9,091,876</u>
Total revenues	<u>57,576,351</u>	<u>1,748,582</u>	<u>1,134,382</u>	<u>6,743,904</u>	<u>6,859,285</u>	<u>74,062,504</u>
EXPENDITURES						
Current:						
Instruction:						
Regular Programs	21,814,675	-	528,784	-	277,313	22,620,772
Special Programs	4,924,695	-	43,153	-	448,262	5,416,110
Vocational Programs	849,473	-	-	-	77,629	927,102
All Other Programs	3,804,008	1,475,939	50,000	-	1,011,079	6,341,026
Support Services:						
Pupil Support	4,156,194	105,126	92,250	-	433,936	4,787,506
Instructional Staff Support	2,082,142	54,637	19,181	-	789,505	2,945,465
General Administration	2,465,402	-	-	228,933	-	2,694,335
School Administration	4,176,255	-	-	-	-	4,176,255
Business Services	739,219	-	-	2,850	-	742,069
Plant Services	6,073,751	-	115,562	-	39,531	6,228,844
Pupil Transportation	4,066,396	46	128,175	-	14,197	4,208,814
Central Services	1,345,337	-	-	-	-	1,345,337
Food Services	8,149	-	27,517	-	3,386,759	3,422,425
Community Services	60,000	-	-	-	22,891	82,891
Capital Outlay	1,397,339	-	-	-	-	1,397,339
Debt Service:						
Principal Retirement	909,702	-	-	4,164,237	-	5,073,939
Interest and Bank Charges	39,720	-	-	2,125,229	-	2,164,949
Total expenditures	<u>58,912,457</u>	<u>1,635,748</u>	<u>1,004,622</u>	<u>6,521,249</u>	<u>6,501,102</u>	<u>74,575,178</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, 2021

	MAJOR FUNDS				Other Nonmajor Governmental	TOTALS
	General	Head Start	COVID-19 Relief	Debt Service		
Excess (Deficiency) of revenues over expenditures	<u>(1,336,106)</u>	<u>112,834</u>	<u>129,760</u>	<u>222,655</u>	<u>358,183</u>	<u>(512,674)</u>
Other financing sources (uses):						
Insurance Proceeds	266,248	-	-	-	-	266,248
Interfund Transfers In	333,490	-	-	-	182,908	516,398
Interfund Transfers Out	<u>(182,908)</u>	<u>(112,834)</u>	<u>(66,970)</u>	<u>-</u>	<u>(153,686)</u>	<u>(516,398)</u>
Total other financing sources (uses)	<u>416,830</u>	<u>(112,834)</u>	<u>(66,970)</u>	<u>-</u>	<u>29,222</u>	<u>266,248</u>
Net changes in fund balances	(919,276)	-	62,790	222,655	387,405	(246,426)
Fund balances (deficit), beginning, as restated	<u>7,998,906</u>	<u>-</u>	<u>(498,580)</u>	<u>5,550,696</u>	<u>1,039,663</u>	<u>14,090,685</u>
Fund balances (deficit), ending	<u>\$ 7,079,630</u>	<u>\$ -</u>	<u>\$ (435,790)</u>	<u>\$ 5,773,351</u>	<u>\$ 1,427,068</u>	<u>\$ 13,844,259</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, 2021

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, 2021		\$ (246,426)
Capital Assets:		
Capital Outlay Capitalized	1,397,339	
Depreciation Expense	<u>(5,323,362)</u>	(3,926,023)
Excess of Interest Paid over Interest Accrued		49,567
Change in Net Pension Liability and Deferred Inflows / Outflows of Resources		2,015,905
Change in OPEB Obligations and Deferred Inflows / Outflows of Resources		(7,626,053)
Long-Term Liabilities:		
Principal Portion of Debt Service Payments	5,101,850	
Change in Estimate - Debt Principal	89,096	
Amortization of Debt Premium	86,930	
Amortization of Deferred Amount on Refunding Issue	(68,551)	
Judgements Payable	(1,351,424)	
Change in Compensated Absences	<u>128,366</u>	3,986,267
Unavailable Revenues		<u>(278,350)</u>
CHANGE IN NET POSITION - Governmental Activities		<u>\$ (6,025,113)</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

FIDUCIARY FUND
Statement of Fiduciary Net Position
As of June 30, 2021

	<u>Custodial Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>580,411</u>
LIABILITIES	
Due to local governments	\$ <u>580,411</u>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

FIDUCIARY FUND
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	<u>Custodial Fund</u>
Additions:	
Pro rata collection expenses	\$ 146,030
Sales and occupancy tax collections	<u>28,617,352</u>
Total additions	<u>28,763,382</u>
Reductions:	
Administrative expense	107,639
Refunds	18,581
Payments of sales tax to taxing bodies	<u>28,637,162</u>
Total reductions	<u>28,763,382</u>
Change in Net Position	<u>\$ -</u>

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

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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 3,394 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.

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 changes in net position) 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

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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 **Head Start Fund** is used to account for financial resources and expenditures through the Head Start program administered through the United States Department of Health and Human Services.

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 **Debt Service 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.

Nonmajor funds include the School Board's Special Revenue Funds that account for the School Board's other federal grant programs and the School Food Service program that is funded with a combination of federal grants, user charges, and a subsidy transfer from the General 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 part (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 Equity

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.

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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 2020, based on assessed valuation of property as of January 1, 2020. 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 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 2020 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
Salaries and Benefits 2003	7.00	7.00
Debt Service	10.00	10.00

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) 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 Council and the Commission. 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.

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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, and equipment, 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.

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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 an Other Financing Use in the Debt Service Fund.

10) Pension Plans

The School Board is a participating employer in three defined benefit pension plans (plans) as further described in 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 item D. Government-Wide and Fund Financial Statements on pages 17-18 of the Notes to Basic Financial Statements.

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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 and all Special Revenue Funds. 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, 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. 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 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, 2021

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 reflected as “Interfund Payables.”

2. Deposits

On June 30, 2021 the School Board had cash (book balances) totaling \$17,202,263. Included in the Cash and Cash Equivalents line item are the following:

Cash Deposits	\$ 16,377,165
LAMP	<u>825,098</u>
TOTAL	<u>\$ 17,202,263</u>

As of June 30, 2021, the School Board’s bank balance was \$16,784,652. Of the bank balance, \$509,031 was covered by Federal depository insurance and the Securities Investor Protection Corporation, and \$16,275,621 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 \$16,275,621 are exposed to custodial credit risk.

At June 30, 2021, the School Board also had invested \$825,098 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, 2021 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
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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
June 30, 2021

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 \$3,209,097 on June 30, 2021 consisted of the following:

	General	Head Start	COVID-19 Relief	Debt Service	Non-Major Governmental	TOTALS
Local Taxes / Other	\$ 79,571	\$ -	\$ -	\$ 2,319	\$ -	\$ 81,890
State Grants	481,119	-	-	-	-	481,119
Federal Grants	10,885	822,904	639,887	-	1,172,412	2,646,088
TOTALS	\$ 571,575	\$ 822,904	\$ 639,887	\$ 2,319	\$ 1,172,412	\$ 3,209,097

C. Capital Assets

Capital asset and depreciation activity as of and for the year ended June 30, 2021 is as follows:

	Land	Buildings and Imprvmts	Furniture, Fixtures & Equipment	Work in Progress	TOTALS
Cost, July 1, 2020	\$ 2,402,231	\$ 145,263,725	\$ 7,729,567	\$ 2,305,921	\$ 157,701,444
Additions	-	3,661,232	42,026	-	3,703,258
Deletions	-	-	-	2,305,921	2,305,921
Cost, June 30, 2021	<u>\$ 2,402,231</u>	<u>\$ 148,924,957</u>	<u>\$ 7,771,593</u>	<u>\$ -</u>	<u>\$ 159,098,781</u>
Depreciation:					
Accumulated, July 1, 2020	\$ -	\$ 43,249,515	\$ 2,969,739	-	\$ 46,219,254
Additions	-	3,978,290	1,345,072	-	5,323,362
Deletions	-	-	-	-	-
Accumulated, June 30, 2021	<u>\$ -</u>	<u>\$ 47,227,805</u>	<u>\$ 4,314,811</u>	<u>\$ -</u>	<u>\$ 51,542,616</u>
Capital Assets, net of Accumulated Depreciation, June 30, 2021	<u>\$ 2,402,231</u>	<u>\$ 101,697,152</u>	<u>\$ 3,456,782</u>	<u>\$ -</u>	<u>\$ 107,556,165</u>

Capital assets recorded under the School Board's capital leases are computers and projection white boards utilized in the School Board's one-to-one computer initiative and security cameras installed throughout the system. The gross amount carried in the Furniture, Fixtures, and Equipment category is \$2,833,201. The accumulated amortization is included in depreciation and approximates \$ 944,400 as of June 30, 2021.

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
June 30, 2021

Depreciation expense of \$5,323,362 for the year ended June 30, 2021 was charged accordingly:

<u>Instruction:</u>	
Regular Programs	\$ 475,972
Special Programs	113,962
Vocational Programs	19,507
All Other Programs	133,513
<u>Support Services:</u>	
Pupil Support	100,736
Instructional Staff Support	61,977
General Administration	3,992,521
School Administration	87,874
Business Services	15,614
Plant Services	131,063
Pupil Transportation	88,559
Central Services	28,308
Food Services	72,012
Community Services	1,744
TOTAL	\$ 5,323,362

D. Accounts, Salaries, and Other Payables

The payables of \$5,779,105 on June 30, 2021 consisted of the following:

	General	Head Start	COVID-19 Relief	Debt Service	Non-Major Governmental	TOTALS
Accounts	\$ 776,782	\$ 298	\$ 94,014	\$ 13,739	\$ 27,805	\$ 912,638
Salaries and Benefits	3,668,465	45,783	143,174	-	133,839	3,991,261
Contracts	19,655	-	-	-	-	19,655
Worker's Comp Accrued Claims	156,560	-	-	-	-	156,560
Health Insurance Accrued Claims	698,991	-	-	-	-	698,991
TOTALS	\$ 5,320,453	\$ 46,081	\$ 237,188	\$ 13,739	\$ 161,644	\$ 5,779,105

E. Interfund Receivables, Payables, and Transfers

Amounts of interfund receivables, payables, and transfers as of and for the year ended June 30, 2021 follow:

	Interfund Balances and Transfers			
	Receivables	Payables	Transfers In	Transfers Out
General	\$ 1,994,130	-	\$ 333,490	\$ 182,908
Head Start	-	776,823	-	112,834
COVID-19 Relief	-	402,699	-	66,970
Non-Major Governmental:				
ESSA Title I	-	294,592	-	78,003
ESSA Titles II,III,IV	-	120,718	-	18,932
IDEA	-	382,385	-	56,751
Carl Perkins Vocational	-	16,913	-	-
School Food Service	-	-	182,908	-
TOTALS	\$ 1,994,130	\$ 1,994,130	\$ 516,398	\$ 516,398

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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, capital leases, judgments, and compensated absences payable. Net pension liability further discussed in Note G, OPEB further discussed in Note I, and judgments further discussed in Note L. A summary of changes in bonded debt, capital leases, judgments and compensated absences payable for the year ended June 30, 2021 follows:

	Balance, July 1, 2020	Additions	Retirements	Balance, June 30, 2021	Due Within One Year
Bonded Debt	\$ 66,554,998	\$ -	\$ 4,253,333	\$ 62,301,665	\$ 4,408,333
Bond Premium	1,350,319	-	86,930	1,263,389	86,930
Capital Lease	1,926,546	-	937,613	988,933	958,710
Judgments	-	1,351,424	-	1,351,424	900,142
Compensated Absences	<u>2,290,091</u>	<u>855,066</u>	<u>983,432</u>	<u>2,161,725</u>	<u>129,704</u>
Totals	<u>\$ 72,121,954</u>	<u>\$ 2,206,490</u>	<u>\$ 6,261,308</u>	<u>\$ 68,067,136</u>	<u>\$ 6,483,819</u>

General Obligation Bonds, Qualified School Construction Bonds, Certificates of Indebtedness, and Capital Leases

The School Board has several debt issues outstanding at June 30, 2021. The June 1, 2011, September 1, 2012, September 1, 2015, and April 1, 2016 issues of General Obligation and Qualified School Construction Bonds (QSCB Series 2011) funded parishwide facility improvements and or capital equipment acquisition. The April 1, 2015 issue advance refunded the majority of December 1, 2007 and February 1, 2002 Qualified Zone Academy Bonds (QZAB) monies. The August 15, 2019 capital lease agreement is with Apple Financial Services for a one-to-one classroom computer initiative. The August 14, 2019 capital lease is funding projection white boards used with the one-to-one initiative while the July 24, 2019 capital lease is funding a systemwide replacement and upgrade of security cameras. A summary of bonded debt and premium follows:

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Pymt Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Premium on Debt</u>
Direct placements:						
General Obligation Bonds						
June 1, 2011	6,500,000	0-1%	3-1-26	146,250	2,166,665	-
September 1, 2012	13,500,000	2-3.125%	3-1-32	1,695,769	8,720,000	-
April 1, 2015	10,910,000	1.3-2.6%	3-1-27	620,133	6,875,000	-
September 1, 2015	20,000,000	3.75-5%	3-1-35	4,490,445	15,040,000	536,377
April 1, 2016	36,000,000	3.125-5%	3-1-36	<u>8,189,746</u>	<u>29,500,000</u>	<u>727,012</u>
		<i>General Obligation Bonds</i>		<u>15,142,343</u>	<u>62,301,665</u>	<u>1,263,389</u>
Capital Lease						
August 15, 2019	1,452,620	-	7-15-21	-	484,207	-
August 14, 2019	884,000	3.45%	2-20-22	10,347	299,917	-
July 24, 2019	496,581	6.58%	8-6-22	<u>8,531</u>	<u>204,809</u>	-
		<i>Capital Leases</i>		<u>18,878</u>	<u>988,933</u>	-
		TOTALS		<u>\$ 15,161,221</u>	<u>\$ 63,290,598</u>	<u>\$ 1,263,389</u>
		TOTAL PRINCIPAL AND PREMIUM ON BOND ISSUANCE				<u>\$ 64,553,987</u>

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)
June 30, 2021

Future funding requirements on long-term debt at June 30, 2021 are as follows:

Year Ending June 30		Direct Placements						Capital Leases	TOTALS
		General Obligation Bonds							
		<u>6-1-11</u>	<u>9-1-12</u>	<u>4-1-15</u>	<u>9-1-15</u>	<u>4-1-16</u>	<u>GO Bonds</u>		
2022	Prin	433,333	645,000	1,045,000	820,000	1,465,000	4,408,333	958,710	5,367,043
	Int	29,250	257,976	169,352	578,544	944,588	1,979,710	18,624	1,998,334
2023	Prin	433,333	670,000	1,085,000	850,000	1,525,000	4,563,333	30,223	4,593,556
	Int	29,250	243,008	145,139	537,544	882,775	1,837,716	254	1,837,970
2024	Prin	433,333	700,000	1,125,000	885,000	1,585,000	4,728,333	-	4,728,333
	Int	29,250	224,281	119,218	495,044	841,288	1,709,081	-	1,709,081
2025	Prin	433,333	725,000	1,165,000	920,000	1,650,000	4,893,333	-	4,893,333
	Int	29,250	203,319	91,690	450,794	805,438	1,580,491	-	1,580,491
2026	Prin	433,333	755,000	1,205,000	960,000	1,720,000	5,073,333	-	5,073,333
	Int	29,250	181,531	62,634	413,994	759,863	1,447,272	-	1,447,272
2027-2031	Prin	-	4,265,000	1,250,000	5,420,000	9,700,000	20,635,000	-	20,635,000
	Int	-	548,417	32,100	1,525,000	2,816,238	4,921,755	-	4,921,755
2032-2036	Prin	-	960,000	-	5,185,000	11,855,000	18,000,000	-	18,000,000
	Int	-	37,237	-	489,525	1,139,556	1,666,318	-	1,666,318
Totals:	Prin	<u>2,166,665</u>	<u>8,720,000</u>	<u>6,875,000</u>	<u>15,040,000</u>	<u>29,500,000</u>	<u>62,301,665</u>	<u>988,933</u>	<u>63,290,598</u>
	Int	<u>146,250</u>	<u>1,695,769</u>	<u>620,133</u>	<u>4,490,445</u>	<u>8,189,746</u>	<u>15,142,343</u>	<u>18,878</u>	<u>15,161,221</u>
Grand Totals		<u>\$ 2,312,915</u>	<u>\$ 10,415,769</u>	<u>\$ 7,495,133</u>	<u>\$ 19,530,445</u>	<u>\$ 37,689,746</u>	<u>\$ 77,444,008</u>	<u>\$ 1,007,811</u>	<u>\$ 78,451,819</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.

The current portion of long-term debt is \$5,453,973 while the long-term portion is \$59,100,014. Principal and interest requirements are funded in accordance with Louisiana law by the annual tax levy on taxable property within the parish taxing district, with the exception of the capital lease obligations that are funded by General Fund revenues. At June 30, 2021, the School Board had amassed \$6,743,904 in the Debt Service Fund for future bonded debt requirements. The School Board is legally restricted from incurring long-term debt financed through property taxes in excess of 35% of the assessed valuation of taxable property.

During the year ended June 30, 2021, the School Board authorized preliminary approval of Taxable General Obligation School Refunding Bonds, Series 2021 not exceeding \$64,000,000. These bonds were issued in July of 2021 and refunded the General Obligation Bonds identified in the table above, with exception of the Series 2011.

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, 2021. Of the \$ 2,161,725 balance reported, \$129,704 is estimated to be due within one year of June 30, 2021. All compensated absence liabilities are liquidated through the General Fund.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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.

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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.

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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.

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, 2020 are as follows:

<u>2021</u> <u>TRSL Sub Plan</u>	<u>Employer</u> <u>Contributions</u>
K-12 Regular Plan	25.8%
Higher Ed Regular Plan	25.0%
Plan A	25.8%
Plan B	25.8%
<u>ORP</u>	<u>Employer</u> <u>Contributions</u>
2021	21.8%

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

The agency's contractually required composite contribution rate for the year ended June 30, 2021 was 25.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$7,342,528 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the School Board reported a liability of \$64,600,023 for its proportionate share of the TRSL Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 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, 2020, the School Board's proportion was 0.58075%, which was a decrease of 0.00484% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School Board recognized pension expense of \$5,687,505.

At June 30, 2021, 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	\$ -	\$ 1,036,974
Changes of assumptions	3,843,061	-
Net difference between projected and actual earnings on pension plan investments	4,986,737	-
Change in proportion and differences between employer contributions and proportionate share of contributions	550,899	2,861,689
Employer contributions subsequent to the measurement date	<u>7,342,528</u>	<u>-</u>
Total	<u>\$ 16,723,225</u>	<u>\$ 3,898,663</u>

Deferred outflows of resources of \$7,342,528 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, 2021. 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 June 30,</u>	
2022	\$ (450,962)
2023	1,778,884
2024	2,245,944
2025	<u>1,908,168</u>
	<u>\$ 5,482,034</u>

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.45% net of investment expenses
Inflation Rate	2.3% per annum
Salary Increases	3.1% - 4.6% varies depending upon 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.

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/ diversification. The resulting expected long-term rate of return was 8.17% for 2020. 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, 2020, 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%	4.60%
International equity	19.0%	5.54%
Domestic fixed income	13.0%	0.69%
International fixed income	5.5%	1.50%
Private Equity	25.5%	8.62%
Other Private Assets	10%	4.45%

Discount Rate: The discount rate used to measure the total pension liability was 7.45%, which was a .10% decrease from the discount rate used as of June 30, 2019. 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 7.45%, 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 (6.45%) or one percentage-point higher (8.45%) than the current rate:

	<u>1% Decrease 6.45%</u>	<u>Current Discount Rate 7.45%</u>	<u>1% Increase 8.45%</u>
Employer's proportionate share of the net pension liability	<u>\$ 84,329,874</u>	<u>\$ 64,600,023</u>	<u>\$ 47,991,329</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, 2021, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$250,599 for its participation in TRSL.

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS (continued)
June 30, 2021

Payables to the Pension Plan: The School Board recorded accrued liabilities to TRSL for the year ended June 30, 2021, 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, 2021 is \$1,128,277.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2020 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, 2021

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, 2021

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, 2021 was 28.70%. Contributions to the pension plan from the School Board were \$158,584 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the School Board reported a liability of \$1,646,010 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 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, 2020, the School Board's proportion was 0.20487%, which was a decrease of 0.03461% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School Board recognized a pension benefit of \$48,301. At June 30, 2021, 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	\$ -	\$ 40,519
Changes of assumptions	9,809	-
Net difference between projected and actual earnings on pension plan investments	250,619	-
Change in proportion and differences between employer contributions and proportionate share of contributions	768	197,072
Employer contributions subsequent to the measurement date	<u>158,584</u>	<u>-</u>
Total	<u>\$ 419,780</u>	<u>\$ 237,591</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

Deferred outflows of resources of \$158,584 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, 2021. 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,	
2022	\$ (101,160)
2023	(8,635)
2024	76,093
2025	<u>57,307</u>
	<u>\$ 23,605</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, 2019 are as follows:

	<u>Louisiana School Employees' Retirement System</u>
Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.00%, 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 a 2013-2017 experience study 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, 2021

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, 2020 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%	0.92%
Equity	39%	2.82%
Alternatives	23%	1.95%
Real Estate	<u>12%</u>	<u>0.69%</u>
Totals	<u>100%</u>	<u>6.38%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>8.38%</u>

Discount Rate: The discount rate used to measure the total pension liability was 7.0%, which was the same rate used as of June 30, 2019. 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 7%, 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%) or one percentage-point higher (8%) than the current rate:

	1% Decrease <u>6%</u>	Current Discount Rate <u>7%</u>	1% Increase <u>8%</u>
Employer's proportionate share of the net pension liability	\$ <u>2,156,029</u>	\$ <u>1,646,010</u>	\$ <u>1,209,811</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

Payables to the Pension Plan: The School Board recorded accrued liabilities to the System for the year ended June 30, 2021, 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, 2021 is \$19,884.

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, 2020. 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:

Employer's Proportionate Share of Net Pension Liability

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
TRSL	\$ 84,329,874	\$ 64,600,023	\$ 47,991,329
LSERS	<u>2,156,029</u>	<u>1,646,010</u>	<u>1,209,811</u>
Aggregate	<u>\$ 86,485,903</u>	<u>\$ 66,246,033</u>	<u>\$ 49,201,140</u>

Deferred Outflows of Resources

<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
<u>\$ 16,723,225</u>	<u>\$ 419,780</u>	<u>\$ 17,143,005</u>

Deferred Inflows of Resources

<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
<u>\$ 3,898,663</u>	<u>\$ 237,591</u>	<u>\$ 4,136,254</u>

Pension Expense/(Pension Benefit)

<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
<u>\$ 5,687,505</u>	<u>\$ 48,301</u>	<u>\$ 5,735,806</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, 2021, 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, 2021

During the year ended June 30, 2021, there was no significant reduction in insurance coverage in any of the risk categories mentioned above. Additionally, with exception of the matter described in 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:

	Beginning Liability	Current Claims and Changes in Estimates	Claims Paid	Ending Liability
<u>2021</u>				
Worker's Comp	\$ 35,691	\$ 309,140	\$ 188,271	\$ 156,560
Health Insurance	327,666	5,748,842	5,377,517	698,991
TOTALS	<u>\$ 363,357</u>	<u>\$ 6,057,982</u>	<u>\$ 5,565,788</u>	<u>\$ 855,551</u>
<u>2020</u>				
Worker's Comp	\$ 35,817	\$ 100,861	\$ 100,987	\$ 35,691
Health Insurance	504,601	6,118,316	6,295,251	327,666
TOTALS	<u>\$ 540,418</u>	<u>\$ 6,219,177</u>	<u>\$ 6,396,238</u>	<u>\$ 363,357</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, 2021

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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	457
Active employees	<u>553</u>
TOTAL	<u><u>1,010</u></u>

Total OPEB Liability

The School Board's total OPEB liability of \$112,116,602 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2021 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	2.21% annually (beginning of year to determine ADC)
	2.16% annually (as of end of year measurement date)
Healthcare Cost Trend Rates	Flat 5.5% annually
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, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

Changes in the Total OPEB Liability

OPEB Balance, July 1, 2020	<u>\$ 101,769,940</u>
Changes for the year:	
Service Cost	2,086,360
Interest	2,212,232
Differences between expected and actual experience	6,805,768
Changes in Assumptions	2,580,232
Benefit payments and net transfers	<u>(3,337,930)</u>
Net Changes	<u>10,346,662</u>
OPEB Balance, June 30, 2021	<u>\$ 112,116,602</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	<u>1% Decrease</u> 1.16%	<u>Current Rate</u> 2.16%	<u>1% Increase</u> 3.16%
Total OPEB Liability	\$ <u>135,498,887</u>	\$ <u>112,116,602</u>	\$ <u>94,068,490</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>96,338,759</u>	\$ <u>112,116,602</u>	\$ <u>132,743,301</u>

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

For the year ended June 30, 2021, the School Board recognized OPEB expense of \$10,963,983. At June 30, 2021, 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	\$ 8,803,096	\$ 707,726
Changes in assumptions	<u>16,412,790</u>	<u>2,012,015</u>
TOTAL	\$ <u>25,215,886</u>	\$ <u>2,719,741</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>	
2020	\$ 6,665,391
2021	6,665,391
2022	6,665,391
2023	2,084,789
2024	207,589
Thereafter	<u>207,594</u>
	\$ <u>22,496,145</u>

ST. JAMES PARISH SCHOOL BOARD

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NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

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, 2021 follows:

<u>Taxing Agency</u>	<u>Gross Distribution</u>
St. James Parish School Board	\$ 20,084,718
St. James Parish Council	6,642,443
Town of Gramercy	1,134,093
Town of Lutcher	692,526
River Parish Tourist Commission	83,382
DISTRIBUTION TO TAXING BODIES	<u><u>\$ 28,637,162</u></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, 2021, \$16,966,086 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, 2021

L. Litigation

At June 30, 2021, 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.

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 will be reduced with an initial refund of \$850,000 and 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, 2021, the School Board's portion of the obligation is recognized as a judgment liability on the statement of net position, with \$900,142 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 2020 the School Board issued Revenue Anticipation Notes in an amount not to exceed \$8,500,000 to address anticipated General Fund cash flow issues prior to the January 2021 receipt of the major portion of the School Board's ad valorem tax revenue. The School Board borrowed \$2,550,001 under the arrangement and liquidated the obligation in January 2021 upon the receipt of the Ad Valorem tax revenue. Interest expense of \$12,317 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, 2021 follows:

<u>Balance,</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance,</u> <u>June 30, 2021</u>
<u>\$ -</u>	<u>\$ 2,550,001</u>	<u>\$ 2,550,001</u>	<u>\$ -</u>

The School Board executed a similar arrangement in September 2021 with the capacity to borrow up to \$8,000,000. The cumulative draw to date on the new lending agreement totals \$4,500,001. As in the prior year, the borrowings were repaid upon receipt of ad valorem tax revenues in January 2022.

O. Negative Fund Balance and Unavailable Revenues

The School Board is reporting a negative fund balance of \$435,790 in the COVID-19 Relief Fund as of and for the year ended June 30, 2021. 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, 2021

While the funds were requested in time for fiscal year 2021 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 2022.

P. Subsequent Events

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 authorized preliminary approval of Hurricane Recovery Revenue Notes not to exceed \$30,000,000 on November 9, 2021. Contract commitments of \$788,400 and \$3,577,000 have been approved by the School Board.

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.

This shutdown will certainly have a financial impact on the School Board's operations. 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. However, as a result of the refunding bonds issued in July 2021, the School Board was able to reallocate 3.4 of ad valorem tax millages from the debt service fund to the general fund for operations. The School Board's management is closely monitoring anticipated revenue streams for the year ended June 30, 2023.

Q. Prior Period Adjustments

During the year ended June 30, 2021, the School Board implemented GASBS No. 84, *Fiduciary Activities*. This statement defines and establishes criteria for identifying and reporting fiduciary activities. Implementation of the standard results in the presentation of student activity funds as a special revenue fund instead of fiduciary activities. The student activity special revenue fund is reported as other nonmajor governmental funds for the year ended June 30, 2021. The following is a summary of the restatement of net position/fund balance:

	<u>Net Position</u>	<u>Student Activity Special Revenue Fund</u>
	<u>Governmental Activities</u>	<u>Fund Balance</u>
Beginning balance (deficit), as previously reported	\$ (84,294,038)	\$ 131,771
Initial measurement under GASBS No. 84:		
Student activity funds	<u>907,892</u>	<u>907,892</u>
Beginning balance (deficit), as restated	<u>\$ (83,386,146)</u>	<u>\$ 1,039,663</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

June 30, 2021

R. 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, 2021.

S. 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. 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statements will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use an asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. GASBS No. 95 postponed this statement by 18 months. The School Board will include the requirements of this standard, as applicable, in its June 30, 2022 financial statements. All of the School Board's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the School Board are unknown at this time.

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, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET
REVENUES				
Local Sources:				
Taxes: Ad valorem	\$ 24,325,000	\$ 25,028,147	\$ 25,036,131	\$ 7,984
Sales and use	22,398,715	20,159,485	20,084,718	(74,767)
Charges for services	50,000	22,013	24,278	2,265
Other	787,500	817,768	855,712	37,944
Total Local Sources	<u>47,561,215</u>	<u>46,027,413</u>	<u>46,000,839</u>	<u>(26,574)</u>
State Sources:				
Minimum Foundation Program	11,107,789	10,820,471	10,815,536	(4,935)
Other	587,995	545,917	547,369	1,452
Total State Sources	<u>11,695,784</u>	<u>11,366,388</u>	<u>11,362,905</u>	<u>(3,483)</u>
Federal Sources	<u>196,000</u>	<u>197,939</u>	<u>212,607</u>	<u>14,668</u>
TOTAL REVENUES	<u>59,452,999</u>	<u>57,591,740</u>	<u>57,576,351</u>	<u>(15,389)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular Programs	23,576,874	23,119,018	21,814,675	1,304,343
Special Programs	4,784,373	4,961,180	4,924,695	36,485
Vocational Programs	901,466	798,826	849,473	(50,647)
All Other Programs	4,110,930	3,722,871	3,804,008	(81,137)
Support Services:				
Pupil Support	4,333,669	4,245,964	4,156,194	89,770
Instructional Staff Support	2,189,714	2,095,810	2,082,142	13,668
General Administration	2,284,667	2,479,650	2,465,402	14,248
School Administration	4,342,591	4,097,992	4,176,255	(78,263)
Business Services	740,973	746,985	739,219	7,766
Plant Services	6,221,634	6,101,139	6,073,751	27,388
Pupil Transportation	5,065,765	4,284,317	4,066,396	217,921
Central Services	1,549,682	1,576,883	1,345,337	231,546
Food Services	-	-	8,149	(8,149)
Community Services	61,000	61,000	60,000	1,000
Capital Outlay	-	1,570,887	1,397,339	173,548
Debt Service: Principal	-	-	909,702	(909,702)
Interest	-	-	39,720	(39,720)
TOTAL EXPENDITURES	<u>60,163,338</u>	<u>59,862,522</u>	<u>58,912,457</u>	<u>950,065</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(710,339)</u>	<u>(2,270,782)</u>	<u>(1,336,106)</u>	<u>934,676</u>
OTHER FINANCING SOURCE (Uses):				
Insurance Proceeds	-	388,606	266,248	(122,358)
Interfund Transfers In	300,885	290,215	333,490	43,275
Interfund Transfers Out	(550,000)	(186,000)	(182,908)	3,092
TOTAL OTHER FINANCING SOURCES / (Uses)	<u>(249,115)</u>	<u>492,821</u>	<u>416,830</u>	<u>(75,991)</u>
NET CHANGES IN FUND BALANCE	(959,454)	(1,777,961)	(919,276)	858,685
FUND BALANCE, July 1, 2020	<u>4,989,834</u>	<u>7,998,906</u>	<u>7,998,906</u>	<u>-</u>
FUND BALANCE, June 30, 2021	<u>\$ 4,030,380</u>	<u>\$ 6,220,945</u>	<u>\$ 7,079,630</u>	<u>\$ 858,685</u>

See notes to required supplementary information.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION
 Head Start Fund Budgetary Comparison Schedule
 For the Year Ended June 30, 2021

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Federal Grants	\$ 1,511,791	\$ 1,748,582	\$ 1,748,582	\$ -
EXPENDITURES				
Current:				
Instruction:				
All Other Programs	1,261,917	1,475,574	1,475,939	(365)
Support Services:				
Pupil Support	89,881	105,100	105,126	(26)
Instructional Staff Support	46,715	54,624	54,637	(13)
Pupil Transportation	39	45	46	(1)
TOTAL EXPENDITURES	<u>1,398,552</u>	<u>1,635,343</u>	<u>1,635,748</u>	<u>(405)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>113,239</u>	<u>113,239</u>	<u>112,834</u>	<u>405</u>
OTHER FINANCING SOURCE (Uses):				
Interfund Transfers Out	<u>(113,239)</u>	<u>(113,239)</u>	<u>(112,834)</u>	<u>(405)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See 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, 2021

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal Grants	\$ -	\$ 2,110,458	\$ 1,134,382	\$ (976,076)
EXPENDITURES				
Current:				
Instruction:				
Regular Instruction	-	979,857	528,784	451,073
Special Instruction	-	79,964	43,153	36,811
All Other Programs	-	92,652	50,000	42,652
Support Services:				-
Pupil Support	-	170,944	92,250	78,694
Instructional Staff Support	-	35,542	19,181	16,361
Plant Services	-	214,141	115,562	98,579
Pupil Transportation	-	237,514	128,175	109,339
Food Services	-	50,991	27,517	23,474
TOTAL EXPENDITURES	-	1,861,605	1,004,622	856,983
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	248,853	129,760	(119,093)
OTHER FINANCING SOURCE (Uses):				
Interfund Transfers Out	-	(248,853)	(66,970)	(119,093)
NET CHANGE IN FUND BALANCE	-	-	62,790	(238,186)
FUND BALANCE, July 1, 2020	-	-	(498,580)	-
FUND BALANCE, June 30, 2021	\$ -	\$ -	\$ (435,790)	\$ (435,790)

See 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, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 1,366,445	\$ 1,223,250	\$ 1,428,287	\$ 2,086,360
Interest	2,618,066	2,700,099	2,676,791	2,212,232
Differences between expected and actual experience	(1,179,542)	1,431,110	4,007,346	6,805,768
Changes in assumptions or other inputs	(3,353,359)	4,516,804	18,895,667	2,580,232
Benefits payments	<u>(2,736,704)</u>	<u>(2,887,223)</u>	<u>(3,435,792)</u>	<u>(3,337,930)</u>
Net change in total OPEB liability	(3,285,094)	6,984,040	23,572,299	10,346,662
Total OPEB liability, beginning	<u>74,498,695</u>	<u>71,213,601</u>	<u>78,197,641</u>	<u>101,769,940</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>
Covered employee payroll	<u>26,918,378</u>	<u>27,611,921</u>	<u>27,415,759</u>	<u>27,415,759</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>

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended June 30, 2021

<u>Plan Year ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability</u>	<u>Employer Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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%
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%

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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Pension Contributions

For the Year Ended June 30, 2021

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%
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%

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

See notes to required supplementary information.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

(1) Budgetary Comparison Schedule - General Fund

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 reported budgets, both the original and revised budgets, are prepared in conformity with generally accepted accounting principles (GAAP).

Expenditures exceeded budget allocations in the Head Start Special Revenue Fund by \$405.

(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, 2021. The mortality rates derived from the Society of Actuaries' RP-2000 table.

The following are the discount rates used in each period:

<u>Period</u>	<u>Discount Rate</u>
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%

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, 2021

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%

* 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%

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.

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.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

As of June 30, 2021

SPECIAL REVENUE FUNDS

	<u>ESSA TITLE I</u>	<u>ESSA TITLES II,III,IV</u>	<u>IDEA</u>	<u>CARL PERKINS VOCATIONAL</u>	<u>SCHOOL FOOD SERVICE</u>	<u>SCHOOL ACTIVITY</u>	<u>TOTAL</u>
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 131,234	\$ 930,444	\$ 1,061,678
Due from Other Governments	334,062	125,938	392,292	16,913	303,207	-	1,172,412
Inventory	-	-	-	-	169,230	-	169,230
Total Assets	<u>\$ 334,062</u>	<u>\$ 125,938</u>	<u>\$ 392,292</u>	<u>\$ 16,913</u>	<u>\$ 603,671</u>	<u>\$ 930,444</u>	<u>\$ 2,403,320</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and Other Payables	\$ -	\$ -	\$ 35	\$ -	\$ 27,771	\$ -	\$ 27,806
Salaries Payables	39,470	5,220	9,872	-	79,276	-	133,838
Interfund Payables	294,592	120,718	382,385	16,913	-	-	814,608
Total Liabilities	<u>334,062</u>	<u>125,938</u>	<u>392,292</u>	<u>16,913</u>	<u>107,047</u>	<u>-</u>	<u>976,252</u>
Fund Balances:							
Nonspendable	-	-	-	-	169,230	-	169,230
Restricted	-	-	-	-	327,394	930,444	1,257,838
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,624</u>	<u>930,444</u>	<u>1,427,068</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 334,062</u>	<u>\$ 125,938</u>	<u>\$ 392,292</u>	<u>\$ 16,913</u>	<u>\$ 603,671</u>	<u>\$ 930,444</u>	<u>\$ 2,403,320</u>

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, 2021

SPECIAL REVENUE FUNDS

	<u>ESSA TITLE I</u>	<u>ESSA TITLES II,III,IV</u>	<u>IDEA</u>	<u>CARL PERKINS VOCATIONAL</u>	<u>SCHOOL FOOD SERVICE</u>	<u>SCHOOL ACTIVITY</u>	<u>TOTAL</u>
<u>REVENUES</u>							
Local Sources							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 21,440	\$ -	\$ 21,440
Other	-	-	-	-	-	841,540	841,540
Federal Grants	<u>1,094,237</u>	<u>276,558</u>	<u>984,889</u>	<u>39,629</u>	<u>3,600,992</u>	<u>-</u>	<u>5,996,305</u>
TOTAL REVENUES	<u>1,094,237</u>	<u>276,558</u>	<u>984,889</u>	<u>39,629</u>	<u>3,622,432</u>	<u>\$ 841,540</u>	<u>6,859,285</u>
<u>EXPENDITURES</u>							
Current:							
Instruction:							
Regular Instruction	-	-	-	-	-	277,313	277,313
Special Instruction	-	-	448,262	-	-	-	448,262
Vocational Programs	-	-	-	39,629	-	38,000	77,629
All Other Programs	424,139	98,515	-	-	-	488,425	1,011,079
Support Services:							
Pupil Support	-	-	433,936	-	-	-	433,936
Instructional Staff Support	569,204	159,111	45,940	-	-	15,250	789,505
Plant Services	-	-	-	-	39,531	-	39,531
Pupil Transportation	-	-	-	-	14,197	-	14,197
Food Services	-	-	-	-	3,386,759	-	3,386,759
Community Services	<u>22,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,891</u>
TOTAL EXPENDITURES	<u>1,016,234</u>	<u>257,626</u>	<u>928,138</u>	<u>39,629</u>	<u>3,440,487</u>	<u>818,988</u>	<u>6,501,102</u>
EXCESS OF REVENUES OVER EXPENDITURES	78,003	18,932	56,751	-	181,945	22,552	358,183
<u>OTHER FINANCING SOURCES/(USES):</u>							
Interfund Transfers In	-	-	-	-	182,908	-	182,908
Interfund Transfers Out	<u>(78,003)</u>	<u>(18,932)</u>	<u>(56,751)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,686)</u>
TOTAL OTHER SOURCES / (USES)	<u>(78,003)</u>	<u>(18,932)</u>	<u>(56,751)</u>	<u>-</u>	<u>182,908</u>	<u>-</u>	<u>29,222</u>
NET CHANGES IN FUND BALANCES	-	-	-	-	364,853	22,552	387,405
FUND BALANCE - BEGINNING, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,771</u>	<u>907,892</u>	<u>1,039,663</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 496,624</u>	<u>\$ 930,444</u>	<u>\$ 1,427,068</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL FUNDS
Comparative Balance Sheet
As of June 30, 2021 and June 30, 2020

	TOTALS	
	2021	2020
ASSETS		
Cash and Cash Equivalents	\$16,621,852	\$14,725,371
Due from Other Governments	3,209,097	5,955,320
Interfund Receivables	1,994,130	2,435,470
Inventory	169,230	131,771
Other Assets	<u>58,975</u>	<u>45,962</u>
Total Assets	<u>\$ 22,053,284</u>	<u>\$23,293,894</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts and Other Payables	\$ 1,787,845	3,071,283
Salaries Payables	3,991,260	3,890,208
Interfund Payables	<u>1,994,130</u>	<u>2,435,470</u>
Total Liabilities	<u>7,773,235</u>	<u>9,396,961</u>
Deferred Inflows of Resources:		
Unavailable Revenues	<u>435,790</u>	<u>714,140</u>
Fund Balances:		
Nonspendable	228,205	177,733
Restricted for:		
School Food Service	327,394	-
School Activities	930,444	-
Debt Service	5,773,351	5,550,696
Committed - Self-Insurances	2,087,390	1,849,263
Unassigned	<u>4,497,475</u>	<u>5,605,101</u>
Total Fund Balances	<u>13,844,259</u>	<u>13,182,793</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
	<u>\$ 22,053,284</u>	<u>\$23,293,894</u>

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, 2021 and June 30, 2020

	TOTALS	
	2021	2020
REVENUES		
Local Sources:		
Taxes: Ad Valorem	\$ 31,780,035	29,873,411
Sales and Use	20,084,718	24,051,610
Charges for Services	45,718	75,085
Interest Earnings	-	12,870
Other	1,697,252	1,529,852
Total Local Sources	53,607,723	55,542,828
State Sources:		
Minimum Foundation Program	10,815,536	11,803,733
Other	547,369	697,328
Total State Sources	11,362,905	12,501,061
Federal Sources	9,091,876	6,541,990
Total revenues	74,062,504	74,585,879
EXPENDITURES		
Current:		
Instruction:		
Regular Programs	22,620,772	22,173,999
Special Programs	5,416,110	4,978,332
Vocational Programs	927,102	943,954
All Other Programs	6,341,026	5,648,724
Support Services:		
Pupil Support	4,787,506	4,589,437
Instructional Staff Support	2,945,465	3,126,459
General Administration	2,694,335	2,347,262
School Administration	4,176,255	4,063,607
Business Services	742,069	693,028
Plant Services	6,228,844	6,226,275
Pupil Transportation	4,208,814	4,361,123
Central Services	1,345,337	1,359,289
Food Services	3,422,425	3,361,021
Community Services	82,891	72,874
Capital Outlay	1,397,339	8,011,825
Debt Service:		
Principal Retirement	5,073,939	5,436,703
Interest and Bank Charges	2,164,949	2,299,766
Total expenditures	74,575,178	79,693,678

(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, 2021 and June 30, 2020

	TOTALS	
	2021	2020
Deficiency of revenues over expenditures	(512,674)	(5,107,799)
Other financing sources (uses):		
Capital Lease Proceeds	-	2,833,201
Insurance Proceeds	266,248	377,975
Sale of Fixed Assets	-	638,387
Interfund Transfers In	516,398	1,008,637
Interfund Transfers Out	(516,398)	(1,008,637)
Total other financing sources	266,248	3,849,563
 Net changes in fund balances	 (246,426)	 (1,258,236)
Fund balances, beginning, as restated	14,090,685	14,441,029
Fund balances, ending	\$ 13,844,259	\$ 13,182,793

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Compensation Paid to School Board Members For the Year Ended June 30, 2021

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 Board members 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>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Superintendent For the Year Ended June 30, 2021

P. Edward Cancienne, Ph.D., has served as Superintendent since July 1, 2016.

<u>Nature of Payment</u>	<u>Amount</u>
<u>Contractual Compensation:</u>	
Salary	\$ 180,000
Unvouchered Expense Allowance	15,000
Annual Base Compensation	<u>195,000</u>
Teachers Retirement System of Louisiana	
Contributions on Base Compensation	50,310
Medicare Tax on Base Compensation	2,812
Board Contributed Medical Insurance	8,306
Employee Benefits	<u>61,428</u>
TOTAL	\$ <u>256,428</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

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	\$ 209,054
Passed through Louisiana Department of Education: Summer Food Service Program for Children	10.559	N/A	<u>3,021,777</u>
<i>Total Child Nutrition Cluster</i>			<u>3,230,831</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	51,997
Child and Adult Care Food Program	10.558	N/A	<u>110,549</u>
Total United States Department of Agriculture			<u>3,393,377</u>
UNITED STATES DEPARTMENT OF DEFENSE			
ROTC	None	N/A	<u>156,633</u>
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education: Title I Grants to Local Educational Agencies	84.010		
Title I		28-21-T1-47	933,261
		28-20-T1-47	107,329
Direct Student Services		28-21-DSS-47	32,589
		28-20-DSS-47	<u>21,058</u>
Total Title I Grants to Local Educational Agencies			<u>1,094,237</u>
<i>Special Education Cluster</i>			
Special Education - Grants to States (IDEA, Part B) IDEA - Part B	84.027		
		28-21-B1-47	681,358
		28-20-B1-47	<u>270,626</u>
Total Special Education - Grants to States (IDEA, Part B)			<u>951,984</u>
Special Education - Preschool Grants (IDEA Preschool) IDEA Preschool 619	84.173		
		28-21-P1-47	14,329
		28-20-P1-47	<u>18,576</u>
Total Special Education - Preschool Grants (IDEA Preschool)			<u>32,905</u>
<i>Total Special Education Cluster</i>			<u>984,889</u>
Career and Technical Education - Basic Grants to States	84.048		
		28-21-02-47	29,901
		28-20-02-47	<u>9,728</u>
Total Career and Technical Education Programs			<u>39,629</u>
Title III, English Language Acquisition	84.365	28-21-60-47	<u>2,622</u>
Title II, Supporting Effective Instruction Title IIA	84.367		
		28-21-50-47	176,690
		28-20-50-47	<u>37,650</u>
Total Title II, Supporting Effective Instruction			<u>214,340</u>

(continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021

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	28-21-71-47 28-20-71-47	36,760 22,836 <u>59,596</u>
COVID-19 - Education Stabilization Fund COVID-19 - Governor's Emergency Education Relief Fund	84.425C	28-20-GERF-47	<u>479</u>
COVID-19 - Education Stabilization Fund COVID-19 - ESSERF - Formula COVID-19 - ESSERF - Incentive COVID-19 - ESSERF II - Formula Total COVID-19 - Education Stabilization Fund (ALN 84.425D)	84.425D	28-20-ESRF-47 28-20-ESRI-47 28-21-ES2F-47	386,645 198,679 435,790 <u>1,021,114</u>
Total COVID-19 - Education Stabilization Fund			<u>1,021,593</u>
Total United States Department of Education			<u>3,416,906</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Award:			
<i>Head Start Cluster</i>			
Head Start	93.600		
COVID-19 - Head Start		N/A	152,034
Head Start		N/A	<u>1,596,548</u>
Total Head Start Cluster			<u>1,748,582</u>
Passed through Louisiana Workforce Commission:			
Temporary Assistance for Needy Families (TANF) Jobs for Americas Graduates (JAG)	93.558	2000459860	<u>36,960</u>
Passed through Louisiana Department of Education:			
<i>CCDF Cluster</i>			
Childcare and Development Block Grant	93.575		
COVID-19 CCR CCDF		28-21-CCCR-47	50,000
EC Network Lead Agency Consolidated- CCDF		28-21-C0-47	13,937
Early Childhood Community Network Pilots Remaining Start-Up Funding		N/A	<u>5,077</u>
Total CCDF Cluster			<u>69,014</u>
Total United States Department of Health and Human Services			<u>1,854,556</u>
Total expenditures of federal awards			<u>\$ 8,821,472</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

(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, 2021. 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, changes in net assets, or cash flows 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.

(3) Commodities

Nonmonetary assistance in the amount of \$209,054 is reported in the schedule at the fair market value of the commodities received and consumed. At June 30, 2021, the School Board had \$121,974 of commodities remaining in inventory.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Notes to Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021

(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 (classified as federal revenue)	\$ 212,607
Other Governmental Funds:	
Title I	1,094,237
Title II, III, and IV	276,558
IDEA	984,889
Vocational Education	39,629
Head Start	1,748,582
COVID-19	1,134,382
School Food Service	3,600,992
Less School Food Service revenues not yet expended	(207,615)
Deferred Inflows -	
Add current year COVID-19 deferred inflows	435,790
Less prior year COVID-19 deferred inflows	<u>(498,579)</u>
Total	<u>\$ 8,821,472</u>

(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*

Dr. P. Edward Cancienne, Jr., Superintendent,
and Members of the St. James Parish School Board
Lutcher, LA

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, 2021, 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 January 25, 2022.

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

Responses to Findings

The School Board's response to the finding identified in our audit is described in the accompanying corrective action plan for current audit findings. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
January 25, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Dr. P. Edward Cancienne, Jr., Superintendent,
and Members of the St. James Parish School Board
Lutcher, LA

Report on Compliance for Each Major Federal Program

We have audited the compliance of the St. James Parish School Board (hereinafter "School Board") with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the School Board's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
January 25, 2022

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Part I. Summary of Auditor's Results

Financial Statements

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

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Major funds:	
General Fund	Unmodified
Head Start Fund	Unmodified
COVID-19 Relief Fund	Unmodified
Bond Retirement 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	Federal Agency and Name of Major Program	Type of Opinion
	<u>U.S. Department Education</u>	
84.425	COVID-19 - Education Stabilization Fund <i>Special Education Cluster (IDEA)</i>	Unmodified
84.027	Special Education Grants to States	Unmodified
84.173	Special Education Preschool Grants	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, 2021

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

Internal Control Findings –

No findings are reported under this section.

Compliance Findings –

2021-001 – Local Government Budget Act

YEAR INITIALLY OCCURRING: 2021

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

CRITERIA: RS 39:1305 et seq, Budget preparation, section A., states in part:

“Each political subdivision shall cause to be prepared a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund.”

RS 17:88 et seq, Budget of expected revenues and expenditures; boards’ duty to adopt; submission to state superintendent of education with a copy to the legislative auditor, section A., provides the following in part:

“Each city and parish school board shall adopt no later than September fifteenth of each year a budget for the general fund and each special revenues fund for the fiscal year, July first through June thirtieth.”

CAUSE: The condition results from failure to include in the budget documents an estimate of expected revenues/receipts and expenditures/disbursements in the COVID-19 Relief Fund, a special revenue fund.

EFFECT: The School Board may be noncompliant with certain provisions of the Local Government Budget Act.

RECOMMENDATION: We recommend that the School Board implement policies and procedures to ensure that budget documents include estimates of expected revenues/receipts and expenditures/disbursements and other items required by RS 17:88 and RS 39:1305.

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

Dr. P. Edward Cancienne,
Superintendent

Raymond Gros, President,
District 7

Kenneth Foret, Vice-
President, District 2



ST. JAMES
PARISH SCHOOLS
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, 2021

Findings reported in accordance with *Government Auditing Standards*

Internal Control –

None reported.

Compliance –

2020-001 – Local Government Budget Act

CONDITION: The School Board incurred a budget variance in excess of 5% in the School Food Service Fund.

CURRENT STATUS: This issue did not reoccur.

2020-002 – Open Meetings Law

CONDITION: Minutes of open meetings were not made available with a reasonable time as prescribed by RS 42:20.

CURRENT STATUS: This issue did not reoccur.

Findings for federal awards defined in the Uniform Guidance

2020-003 – Federal Cash Transaction Reports and Federal Financial Reports (SF-425)

CONDITION: In accordance with the terms and conditions of the federal award, the School Board is required to submit federal cash transaction reports quarterly and federal financial reports semi-annually and annually. A final federal financial report is also required. Required federal cash transaction quarterly reports must be filed within 30 days of the end of each quarter. Semi-annual and annual federal financial reports are due on January 30th and July 30th of each year. A final federal financial report is due October 30th of each year. Of the seven required reports, the quarterly reports due October 30, 2019 and January 30, 2020, and the semi-annual report due January 30, 2020 were each submitted seven days late. Considering the 3-month extension issued by the U.S. Department of Health and Human Services Office of Head Start, as allowed by OMB Memorandums M-20-17, which

Prior Year Audit Findings
St. James Parish School Board, Litcher, Louisiana
Page Two

was issued on March 19, 2020, and M-20-26, which was issued on June 18, 2020, the four remaining reports were submitted timely.

CURRENT STATUS: This issue did not reoccur.

Management Letter Findings

A management letter was not issued in the prior period.

CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

APPENDIX B

Dr. P. Edward
Cancienne,
Superintendent

Raymond Gros,
President,
District 7

Kenneth Foret, Vice-
President, District 2



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District 6

January 25, 2022

Kolder, Slaven & Company, LLC
1201 David Drive
Morgan City, LA 70380

The following Corrective Action Plan is in response to the finding resulting from the School Board's audit for the fiscal year ended June 30, 2021:

2021-001- Local Government Budget Act
Year Initially Occurring: 2021

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

CAUSE: The condition results from failure to include in the budget documents an estimate of expected revenues/receipts and expenditures/disbursements in the COVID-19 Relief Funds, a special revenue fund.

EFFECT: The School Board may be noncompliant with certain provisions of the Local Government Budget Act.

RECOMMENDATION: We recommend that the School Board implement policies and procedures to ensure that budget documents include estimates of expected revenues/receipts and expenditures/disbursements and other items required by RS 17:88 and RS 39:1305.

MANAGEMENT'S RESPONSE: The School Board adopted a revised budget during the fiscal year ended June 30, 2021 that included appropriations for the COVID-19 Relief fund. Management will design and implement policies and procedures to ensure that the School Board is complaint with relevant provisions of the Local Government Budget Act.

RESPONSIBLE PARTY: Ashley Montz, Administrative Director of Business Operations

ANTICIPATED COMPLETION DATE FOR THE CORRECTIVE ACTION: 6/30/2022

Sincerely,

Ashley Montz

Administrative Director of Business Operations

ST. JAMES PARISH SCHOOL BOARD

Special Agreed-Upon Procedures on
Performance Measures

Year Ended June 30, 2021

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Schedules required by state law		4
General fund instructional and support expenditures and certain local revenue sources	1	5
Class size characteristics	2	6

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO PERFORMANCE AND STATISTICAL DATA SCHEDULES

Dr. P. Edward Cancienne, Jr., Superintendent and Members of the St. James Parish School Board,
Louisiana Department of Education, and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of St. James Parish School Board (SJPSB) for the fiscal year ended June 30, 2021, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) and as required by Louisiana Revised Statute 24:514(I) and the *Louisiana Governmental Audit Guide*. The management of the SJPSB is responsible for its records and compliance with applicable laws and regulations pertaining to its performance and statistical data.

The SJPSB has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the SJPSB's compliance with applicable laws and regulations pertaining to its performance and statistical data. Additionally, the Louisiana Department of Education (LDOE) and Louisiana Legislative Auditor (LLA) have agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. However, this report may not be suitable for any other purpose. This agreed-upon procedures engagement involves performing specific procedures that the SJPSB, LDOE, and LLA have agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on exceptions based upon the procedures performed. 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.

Our procedures and associated findings are as follows:

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

1. We selected a random sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes

- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

No exceptions were found as a result of this procedure.

Class Size Characteristics (Schedule2)

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

No exceptions were found as a result of this procedure.

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 the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States, applicable to attestation engagements. 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 SJPSB's compliance with the foregoing matters. 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 relating to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the SJPSB's compliance with applicable laws and regulations pertaining to its performance and statistical data, as required by Louisiana Revised Statute 24:514(I) and the *Louisiana Governmental Audit Guide*, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the SJPSB's management, LDOE, and 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. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
January 25, 2022

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)

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

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

Schedule 2 – (Formerly Schedule 6) Class Size Characteristics

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

SCHEDULE 1

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 19,339,810
Other Instructional Staff Activities	-
Instructional Staff Employee Benefits	10,441,887
Purchased Professional and Technical Services	478,992
Instructional Materials and Supplies	892,908
Instructional Equipment	<u>11,776</u>
Total Teacher and Student Interaction Activities	\$ 31,165,373

Other Instructional Activities 227,476

Pupil Support Activities 4,156,194

Instructional Staff Services 2,082,142

School Administration 4,176,255

 Total General Fund Instructional Expenditures \$ 41,807,440

Total General Fund Equipment Expenditures \$ 11,776

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 2,667,301
Renewable Ad Valorem Tax	21,639,347
Debt Service Ad Valorem Tax	6,743,353
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	733,133
Sales and Use Taxes	<u>20,084,718</u>
Total Local Taxation Revenue	<u>\$ 51,867,852</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 34,644
Revenue Sharing - Other Taxes	<u>49,132</u>
Total State Revenue in Lieu of Taxes	<u>\$ 83,776</u>

Nonpublic Textbook Revenue \$ 6,080

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Class Size Characteristics
As of October 1, 2020

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	90%	769	6%	52	2%	15	2%	16
Elementary Activity Classes	86%	104	7%	9	3%	4	3%	4
High	87%	762	11%	96	2%	18	0%	2
High Activity Classes	88%	138	10%	15	2%	3	0%	0
Other	93%	54	3%	2	3%	2	0%	0
Other Activity Classes	100%	10	0%	0	0%	0	0%	0