



ST. JAMES PARISH SCHOOLS

Inspiring Hope and Purpose

COMPREHENSIVE ANNUAL FINANCIAL REPORT
As of and For the Year Ended June 30, 2019

ST. JAMES PARISH SCHOOL BOARD
LUTCHER, LOUISIANA

St. James Parish

SCHOOL BOARD

Lutcher, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

P. EDWARD CANCIENNE, JR., PH.D.

SUPERINTENDENT

PREPARED BY

James D. Mitchell

ADMINISTRATIVE DIRECTOR OF BUSINESS OPERATIONS

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

As of and for the Year Ended June 30, 2019

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ST. JAMES PARISH SCHOOLS

Inspiring Hope and Purpose

INTRODUCTORY SECTION

Dr. P. Edward Cancienne
Superintendent

George Nassar, President
District 4

Dianne Spencer, Vice-
President, District 5



ST. JAMES PARISH SCHOOLS

Inspiring Hope and Purpose

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Diana Cantillo, District 1
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December 27, 2019

To the Citizens of
St. James Parish, Louisiana

Louisiana law requires that certain entities of local government, including public school boards, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States, and audited in accordance with auditing standards generally accepted in the United States by a licensed certified public accountant or accounting firm. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the St. James Parish School Board (The Board), Lutcher, Louisiana, as of and for the fiscal year ended June 30, 2019.

This CAFR consists of management's representations concerning the finances of The Board. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented herein. To provide a reasonable basis for making these representations, management of The Board has established a comprehensive internal control framework that is designed to protect The Board's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of The Board's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, The Board's comprehensive framework of internal controls has been designed to provide reasonable but not absolute assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, a list of principal officials, and The Board's organizational structure. The Financial Section includes the Independent Auditor's Report, the basic financial statements, required supplementary information including Management's Discussion and Analysis (MDA), and supplemental and other information. The Statistical Section contains selected financial and demographic data, generally presented for the past ten years.

The Board's financial statements have been audited by Kolder, Slaven & Company, LLC, a firm of licensed certified public accountants headquartered in Lafayette, Louisiana. The goal of the independent audit was to provide reasonable assurance that the financial statements of the St. James Parish School Board as of and for the year ended June 30, 2019 are free from material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the St. James Parish School Board's financial statements as of and for the fiscal year ended June 30, 2019 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditor's report is presented as the first component of the financial section of this CAFR.

The independent audit of the financial statements of the St. James Parish School Board, Litcher, Louisiana, was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also in the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in The Board's separately issued Single Audit Report. Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Board's MD&A can be found in the financial section immediately following the report of the independent auditor.

PROFILE

The twelve governing subdivisions of the original Louisiana territory were drawn along the same lines of the ecclesiastical subdivisions of the Roman Catholic Church and were known as "parishes." Following Louisiana's admission to the Union in 1812, state officials retained the term, and Louisiana thus became the only one of the 50 United States that does not use the term "county" for its political subdivisions.

St. James Parish, with the parish seat in Convent, is located roughly equidistant from Louisiana's state capitol of Baton Rouge and the world-class destination New Orleans. Bisected by the Mississippi River, the 242-square mile parish is situated in the heart of the industrial corridor nurtured by one of the world's most important waterways. Approximately 150 miles from the mouth of the river and access to worldwide shipping commerce, St. James Parish's major economic activity has long centered on the chemical and refining industries as well as agriculture. Sugarcane is the foremost agricultural product and a major sugar refinery makes its home in St. James Parish. The parish boasts some 20 major industrial complexes that serve as the parish's primary employers. Virtually all of these industries are on or have direct access to the Mississippi River. The spring of 1995 brought the opening of the Veterans Memorial Bridge, a span linking the east bank community of Gramercy and Wallace (St. John the Baptist Parish) on the west bank. The long-awaited opening of the bridge ended an historic era in St. James Parish with the closure of the Litcher-Vacherie ferry, the primary mode of citizen transportation across the river for almost a century. The bridge helped usher in the modern industrial expansion era and has had a positive economic impact on both retail and industrial activity in the parish.

The Board is a political subdivision created under the authority of Louisiana Revised Statutes and is charged with governing the provision of public education to the citizenry of St. James Parish, Louisiana. Services provided include instructional personnel, instructional materials and supplies, instructional facilities, administrative support, business services, operations and maintenance, pupil transportation, and school food services.

The Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for parish children, and to determine the number of teachers employed. All government must be consistent with the laws of the State of Louisiana and the rules and regulations of the Louisiana Board of Elementary and Secondary Education (BESE), the governing authority of more than 100 school boards including parish, city, and charter school operations.

The Board is made up of seven members elected from seven single member districts who serve four-year concurrent terms. The term of the current Board members expires on December 31, 2022. The Board elects a president that is authorized to represent The Board at various functions, name committee assignments, sign legally binding documents and checks, and preside at Board meetings. A Vice-President is also elected by the members to serve in the absence of the President.

The Board is charged with selecting and employing a person who meets BESE certification requirements to be Superintendent of Schools. This person serves as the day-to-day administrator of the school system and performs all duties incumbent upon that office as specified in Title 17 of the Revised Statutes. State law also mandates that the Superintendent is the official Secretary and Treasurer of the school district.

The Board serves some 3,640 students and operates eight schools, two educational sites, and four support facilities throughout the parish. Total student enrollment has fluctuated between 3,600 and 4,000 over the past 20 years and a recent demographic study anticipates a consistent slight decline in enrollment over the next 20 years.

Of The Board's 600 full-time employees, approximately 400 of those are directly involved in the instructional process. In conjunction with the regular education programs, The Board also offers pre-kindergarten, special education, vocational education, and adult education programs. Some 62 percent of students meet federal qualification guidelines for free and reduced school meals.

The Board is considered a *primary government* under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*. As such, it is legally separate, has a separately elected governing board, and is fiscally independent of all other local governments. It has no component units as defined by this Statement, nor is it a component unit of any other government. In accordance with state law, The Board legally adopts annual budgets for its General Fund and Special Revenue Funds and effectively achieves budgetary control of other funds through bond covenants and Board-adopted construction contracts. Further information concerning budgetary practices can be found in the Notes to Basic Financial Statements in the Financial Section of the CAFR.

FACTORS AFFECTING FINANCIAL CONDITION

While Board policy and procedure - built on applicable laws, ordinances, rules and regulations - provide the framework for The Board's financial operations, The Board's revenue sources are the single most important component of its financial health. As further discussed under the "Budgetary Information" heading on page 27 of the Notes to Basic Financial Statements, The Board adopts its General Fund and Special Revenue Funds budgets prior to September 15 of each fiscal year. State law requires budget revisions when revenues are projected to fall five percent short of original expectations or when expenditures are deemed to be five percent in excess of the adopted plan. The Board sets the legal level of budgetary control at the fund level and revises those budgets annually whether or not the thresholds

are met in any particular fiscal year.

Through the Minimum Foundation Program (MFP), the state's basic equalization formula, and various other grants and programs, the State of Louisiana provided The Board some \$12.5 million in 2019, an increase of some \$500,000 from 2018. Virtually all of that increase was in MFP funding based on the state formula that heavily weights local tax base and local tax revenue. Since 2010, state funding of the St. James Parish School Board has decreased by \$6.6 million; a 35 percent drop-off. State funding accounted for some 20 percent of total General Fund revenues in 2019, down from the 40 percent funding level as recently as 2010. Considering the strangling budget shortfalls on the Louisiana Legislature's docket for 2020 and beyond, The Board must rely on its local tax base for its financial health.

St. James Parish is unlike most of Louisiana's other public school districts in its financial support structure. A total of \$47.1 million in locally-generated revenues produced some 79 percent of The Board's 2019 General Fund revenue. That 79 percent local support stands in stark contrast to the MFP's conceptual framework of 65:35 state to local funding.

Sales and use tax collections rank as The Board's most volatile General Fund revenue source. St. James Parish has very little retail activity, with approximately 90 percent of sales and use tax collections coming from the industrial sector. Industrial activity in the parish, which translates into critical tax revenue for The Board, is highly sensitive to natural resources and raw materials prices as well as worldwide market conditions. As such, the financial condition of The Board is highly impacted by the vitality of the chemical, petrochemical, and refining industries.

Sales and use tax collections reached an all-time high of \$25.3 million in 2013 due primarily to the construction of a major steel plant on the east bank of the parish. From 2014 to 2018 sales and use tax revenues averaged some \$18.1 million until a new high-water mark was established in 2019. Construction of a major methanol production facility on the west bank of the Mississippi River began in 2019 and helped propel sales and use tax revenue to a new all-time high of \$25,806,278.

Fiscal year 2020 revenue has been budgeted at \$24 million and as of this writing collections are almost \$1 million in excess of the budgeted amount. Long-term tax revenue projections remain very bright based on the list of new industry exploring investment options in St. James Parish, one of which is planning construction of a plastics facility that is some five to six times the size of the monetary investment that led to the windfall in 2019.

Despite the rosy revenue forecast, The Board's \$8 million General Fund surplus cannot support unlimited spending levels. Accordingly, it is incumbent on The Board to maintain discipline in its spending in order to avoid service levels that are not sustainable.

General Fund ad valorem tax collections totaled some \$21.3 million in 2019, up significantly from the \$20 million collected in 2018. The increase was due to a marked uptick in parishwide assessed valuation and represented a continuing recovery from a significant drop in crude oil market prices that reduced the parishwide assessed valuation of taxable inventory in 2017.

At the urging of industry and its associated trade groups, the Louisiana Legislature over the past few sessions has kicked around the idea of reducing or eliminating the taxability of inventories. St. James

Parish is one of the state's leaders in inventory taxation and should that portion of the valuation be limited or eliminated, The Board will be forced to reevaluate its service delivery levels to compensate for what would be a material reduction in operating revenues.

The previously discussed industrial expansion in the parish has ultimately resulted in The Board's first new school construction since the old St. James High School was rebuilt on its original site following a 1983 fire. The old school site's attractiveness to industry prompted several different inquiries as to the potential availability of the site and those inquiries spurred The Board to purchase a new plot of land more centrally located near Vacherie on the west bank of the river. Construction of the new facility commenced in the spring of 2016 and it opened its doors to some 700 students in August 2018.

Financing for the new school construction came from the \$56 million bond issue that St. James Parish voters approved in May 2015. Voters authorized The Board to borrow up to that additional amount on millages that were currently in existence; i.e. no new taxes. The capital outlay plan also incorporated the \$10.1 million proceeds from the sale of the existing St. James High for a total package of \$66 million.

While the new St. James High School was the primary project in the capital outlay plan, all school facilities, each with its primary buildings now being over 30 years old, have undergone some upgrade, addition, or renovation project in an effort to more accurately align facility quality and capacity with the afore-mentioned demographic shifts within the parish.

Seven years ago The Board commissioned a long-range education master plan and a national construction management firm delivered the report that encompassed demographic studies, facility condition analyses, repair/replacement cost projections, and educational specifications. The Board utilized that report as a guideline to meet the parish's projected educational needs for the next several years and the report served as the backbone of the capital outlay plan that was completed in 2019.

Recent state legislation has broadened opportunities for independent groups to operate charter schools in Louisiana with the approval of parish school boards and / or BESE. Following three unsuccessful attempts to garner Board approval, an independent charter group was authorized by BESE to begin operations for the 2017 school year.

With that approval and in accordance with state law and Louisiana Department of Education protocol, the charter group was funded via the MFP with monies previously earmarked for The Board. The total MFP funding delivered to this particular charter school totaled \$736,515, \$795,636, and \$245,651 for fiscal years 2017, 2018, and 2019. This \$1.8 million in state funding was yet another blow to The Board's financial health and there can be no doubt as to the negative consequences this rerouting of state dollars will have. The 2020 MFP funding destined for the charter school will not be available until the March 2020 MFP budget letter is issued by the Louisiana Department of Education. It is expected that the MFP funding will be close to the 2019 monies.

On January 30, 2017, The Board entered into a consent decree with the plaintiffs and the United States Department of Justice in response to the 1967 desegregation lawsuit *Banks vs. St. James Parish School Board*. Terms of the decree included the reconfiguration of PK-6 school assignments with clustering of grades PK-3 and grades 4-6 students at existing facilities as well as two new endeavors.

The St. Louis Reading and Math Academy replaced what was Fifth Ward Elementary School and has

been opened to all PK-3 students in the parish. The Cypress Grove Montessori Academy opened in the facility facility formerly occupied by Lutcher Elementary School and will serve PK-3 students that were selected using a lottery process. Both schools are currently in their second year of operation.

While moving and some minor renovations were necessary to implement this plan, the costs associated with this consent decree did not have a material impact on The Board's financial statements. This new service delivery model became effective with the opening of school in August 2018.

LONG-TERM FINANCIAL PLANNING

Since the afore-mentioned sales tax revenue spike in 2013 catapulted The Board's General Fund surplus to some \$30 million, The Board has embarked on several new initiatives in the instructional, administrative, and facility realms. The deficit spending of fiscal years 2014 to 2018 has reduced that General Fund surplus to some \$8 million and accordingly The Board no longer has the option of using excess funds to support unlimited expenditures.

Following the previously discussed sales and use tax revenue spike in 2019 that bolstered the General Fund surplus from the \$3 million reported in 2018, The Board's 2020 General Fund budget calls for some \$1.5 million in reserve funding to balance the year's spending plan. The primary reason for that scheduled operational deficit is due to facility needs in both the maintenance and capital outlay realms.

Industrial activity in the parish, The Board's financial lifeblood, has been on the upswing for a while now. As previously discussed, a major methanol facility with an anticipated cost of some \$1.8 billion has been under construction for over a year now and another company has announced plans for the 2020 construction of a \$9.8 billion facility to be located on the west bank of the parish. Should this second plant construction come to fruition as all indicators now appear, The Board's General Fund will again be financially robust in rather short order.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Substantially all Board employees belong to one of two statewide, cost-sharing, multiple employer retirement plans, the Teachers Retirement System of Louisiana (TRSL) and the Louisiana School Employee Retirement System (LSERS). The TRSL is open to all certified personnel, teacher aides, school clerical personnel, central office staff, and school lunch employees. Members may retire with as few as 20 years of service. The LSERS includes custodians, school bus drivers, and maintenance personnel. Members may retire at 20 years with a 2.5 percent benefit times the years of service times their highest average three years compensation. That credit rises to three percent per year for service in excess of 20 years.

School Board retirees have some 90 percent of the cost of their health insurance paid by The Board. The cost varies depending on whether or not Medicare is their primary health insurance provider. Retirees may continue their life insurance benefits and dental insurance at their own cost. Further information concerning the Board's post-employment benefit obligation for retiree health care is located in Note J on page 47 of the Notes to Basic Financial Statements.

AWARDS

Government Finance Officers Association (GFOA)

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the St. James Parish School Board for its Comprehensive Annual Financial Report for the year ended June 30, 2018. The certificate is a highly prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. In order to be awarded this certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate is valid for a period of one year only and 2018 was The Board's twenty-second such award. School Board administration believes that the 2019 Comprehensive Annual Financial Report continues to meet the certificate requirements, and as such, this report will be submitted to GFOA to determine its eligibility for another certificate.

Association of School Business Officials (ASBO)

The St. James Parish School Board received the Association of School Business Officials *Certificate of Excellence in Financial Reporting* for the fiscal year ended June 30, 2018. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. This is the twenty-second year that the St. James Parish School Board has been awarded this honor. The award is granted only after an intensive technical review of financial reports by an expert panel of certified public accountants and practicing school business officials. The *Certificate of Excellence in Financial Reporting* is the highest form of recognition in school financial reporting issued by ASBO. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, which will be submitted to ASBO for review, continues to meet the standards prescribed by ASBO.

ACKNOWLEDGEMENTS

Preparation of this report would not have been possible without the daily efforts of the Office of Business Services staff, particularly those staff whose services directly result in the accurate recordation, summarization, and reporting of financial transactions. We would like to take this opportunity to express our sincere appreciation to those individuals. We also wish to thank the members of the St. James Parish School Board and the administration for their support in our efforts to maintain fiscal accountability and responsibility for the St. James Parish School Board and the citizens of St. James Parish, Louisiana.

Respectfully Submitted,



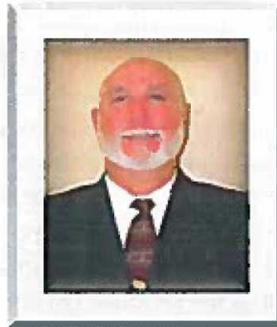
P. Edward Cancienne, Jr., Ph.D.
Superintendent



James D. Mitchell
Administrative Director
of Business Operations

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

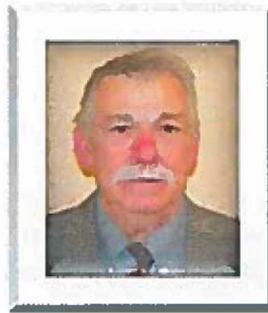
SCHOOL BOARD MEMBERS



GEORGE NASSAR
President, District 4



DIANA CANTILLO
District 1



KENNETH FORET
District 2



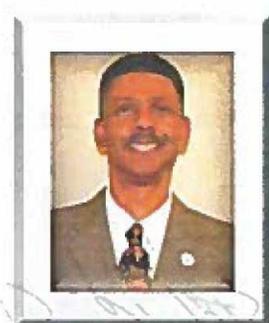
SUE BEIER
District 3



DIANNE SPENCER
Vice President, District 5



NICOLE FLORENT CHARLES
District 6

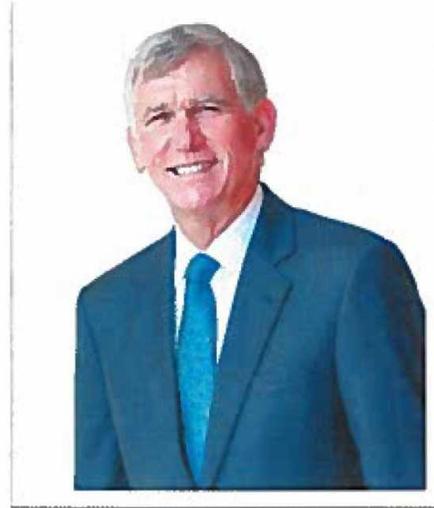


RAYMOND GROS
District 7

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

PRINCIPAL OFFICIALS



P. EDWARD CANSIENNE, JR., Ph.D.
Superintendent

ANNE DETILLIER
Administrative Director of Teaching and Learning

CAROL WEBRE
Administrative Director of Teacher Development and Human Resources

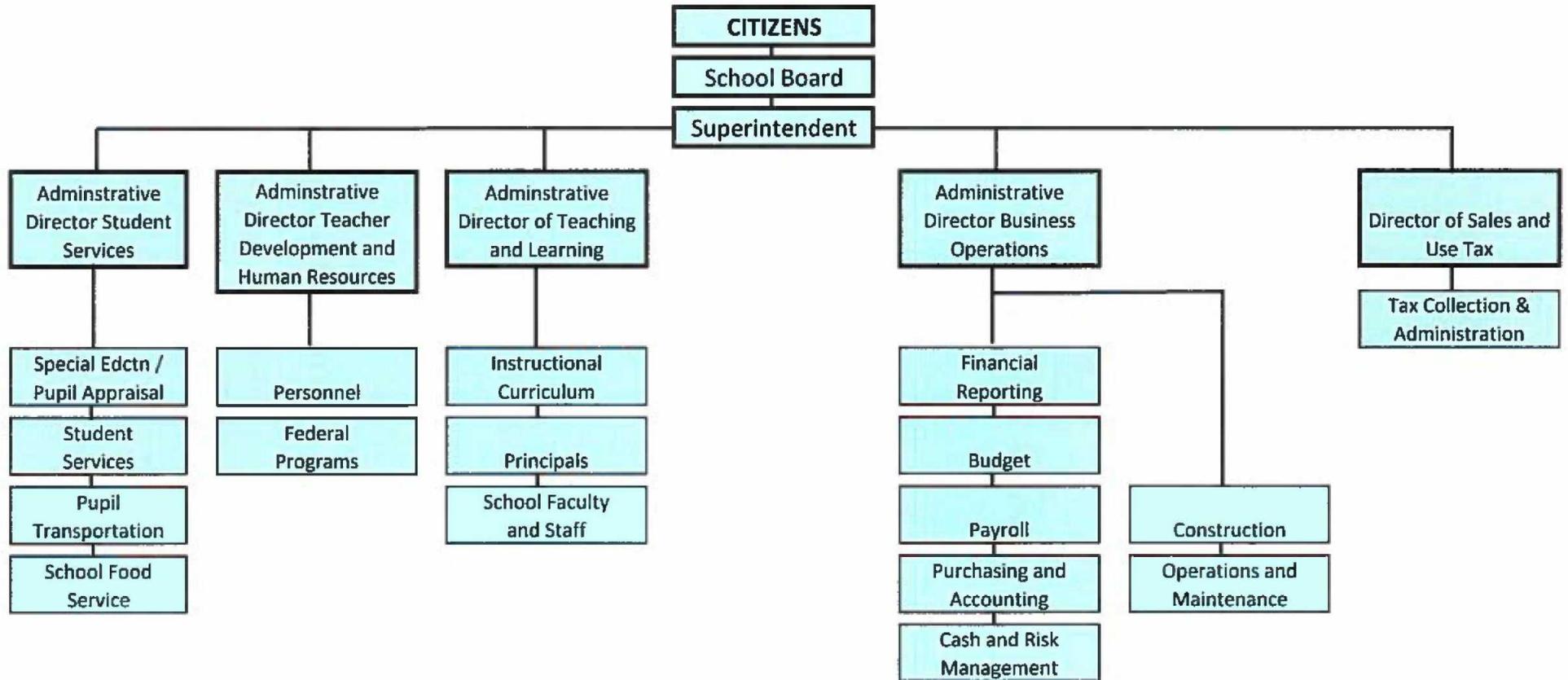
KELLY COOK
Interim Administrative Director of Student Services

JAMES D. MITCHELL
Administrative Director of Business Operations

NESHELLE NOGESS
Sales Tax Department Administrator

ST. JAMES PARISH SCHOOL BOARD

Organizational Structure





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

St. James Parish School Board
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

St. James Parish School Board

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



ST. JAMES PARISH SCHOOLS

Inspiring Hope and Purpose

FINANCIAL SECTION

KOLDER, SLAVEN & COMPANY, LLC

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* A Professional Accounting Corporation

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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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis (pages 4-12), notes to required supplementary information (page 52), budgetary comparison schedules for each major fund (pages 53-54), and schedules for the liability for postemployment benefits other than pensions (page 55), employer's proportionate share of net pension liability (page 56), and employer pension contributions (page 57) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 supplementary information required to accompany the basic financial statements because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 introductory section, combining and individual nonmajor fund financial statements, nonmajor budgetary comparison schedules, agency fund schedule of changes in assets and liabilities, schedules of compensation paid to board members and compensation, benefits and other payments to superintendent, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements (pages 58-62), nonmajor budgetary comparison schedules (pages 63-68), agency fund schedule of changes in assets and liabilities (page 69), and schedules of compensation paid to board members (page 70) and compensation, benefits and other payments to superintendent (page 71) are the responsibility of the School Board's management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory (pages iv-xv) and statistical sections (pages 72-96) 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.

Prior-Year Comparative Information

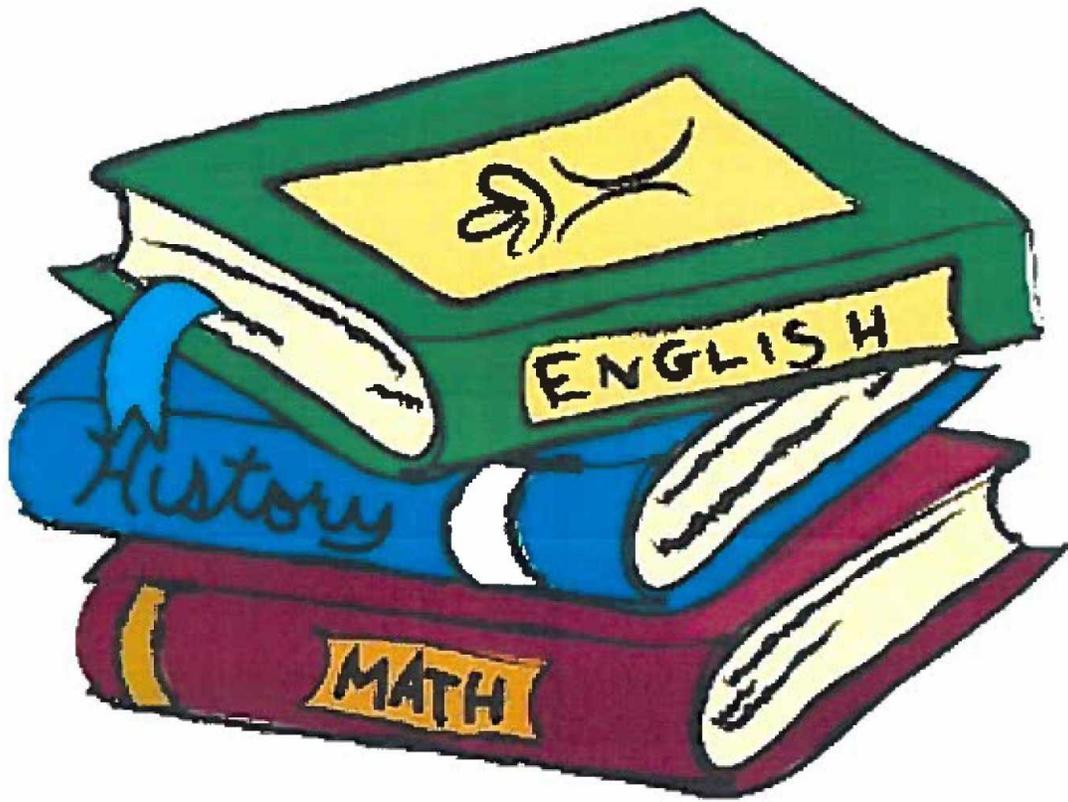
We have previously audited the School Board's financial statements as of and for the year ended June 30, 2018 and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 27, 2018. In our opinion, the summarized comparative financial information presented herein on the fund financial statements as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which such information has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019 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
December 27, 2019



ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

The Management's Discussion and Analysis (MDA) of the St. James Parish School Board's (The Board's) financial performance presents a narrative overview and analysis of St. James Parish School Board's financial activities for the year ended June 30, 2019. The intent of the MDA is to assist readers in assessing The Board's overall financial performance and position and accordingly should be read in conjunction with the Letter of Transmittal (page iv), the Financial Section (page 1), and the Notes to Basic Financial Statements (page 21) contained in this Comprehensive Annual Financial Report (CAFR).

FINANCIAL HIGHLIGHTS

- The Board's total liabilities exceeded total assets by \$86,072,439 on June 30, 2019 with the unrestricted portion of the net deficit at \$(130,543,343). The severity of the negative unrestricted portion is primarily due to The Board's Net Pension Liability of \$60.9 million and its Other Post-Employment Benefits liability of \$78.2 million.
- Net position increased by \$14,082,095 during the year ended June 30, 2019. The primary components of the favorable change were increases in The Board's governmental fund fund balances of some \$7 million, an increase in the net Deferred Outflows of Resources over Deferred Inflows of Resources of some \$4.8 million, a decrease in Net Pension Liability of \$4.5 million, and a gain on the disposition of the old St. James High School of \$4.5 million. Those upward changes were offset by a \$7 million increase in The Board's Other Post-Employment Benefits liability.
- The Board's governmental funds reported fund balances of \$14,441,029 in 2019, up some 95 percent from the \$7,421,390 reported in 2018. The afore-mentioned \$7 million increase was fueled primarily by an increase in The Board's financial lifeblood, local tax revenue. Sales and Use Tax revenue increased by some \$6.1 million while 2019 Ad Valorem Taxes rose \$1.6 million. The amounts reported in 2019 for both sources of local tax revenue represent an all-time high-water mark in each category.
- The Board consummated the sale of the old St. James High School to a major industrial concern during 2019. A legal delay in the sale had created a 2018 deficit fund balance of some \$2.6 million in the Capital Projects Fund. The \$10.1 million selling price is reported in the current year as Other Financing Source – Sale of Fixed Assets in the Nonmajor Capital Projects Fund.
- Cash and Cash Equivalents stayed relatively consistent from the 2018 balance of \$16,500,632 to the \$16,443,132 reported in 2019.
- Total Governmental Funds revenues increased from the 2018 amount of \$66,181,764 to \$74,799,856 in 2019 with virtually all of that increase attributable to the local tax revenue previously mentioned. The \$6.1 million increase in Sales and Use Tax revenue was primarily attributable to the start of construction of a major new methanol production facility on the west bank of the Mississippi River while Ad Valorem tax revenue continued its recovery in overall assessed valuation from a material downside in 2017 based on the market price of crude oil.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

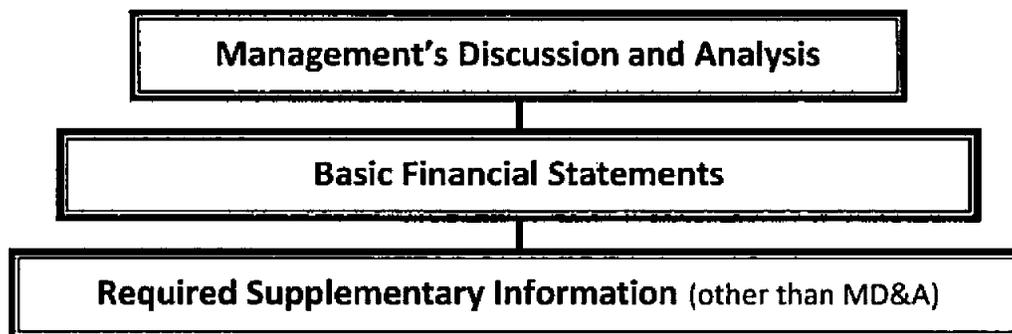
MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

- Ad Valorem tax collections totaled \$27,315,065, the most ever collected by The Board. The upswing was due primarily to the increase in assessed valuation previously mentioned but The Board's roll forward in 2018 to a levy of 44.30 mills also had an impact. The roll forward was the first time since 2008 that The Board had not rolled back its millage rates. St. James Parish voters over the years have authorized a maximum of 45.06 mills but The Board levied only 43.56 mills for 2017, 43.67 mills each year from 2012 to 2016, and 43.96 mills for the three years preceding that. It is estimated that The Board has left some \$5 million in the pockets of parish taxpayers over that time by the roll back of millage rates.
- State funding to The Board's General Fund increased by some \$500,000 in 2019 with the bulk of the increase coming in Minimum Foundation Program (MFP) funding of some \$375,000 and Medicaid billing of some \$200,000. With some 79 percent of The Board's General Fund revenues coming from local sources and only 20 percent coming from the State of Louisiana, The Board's financial vitality is only marginally contingent on state monies.
- The first charter school in St. James Parish opened for the 2017 school year and has siphoned off some \$1.8 million of The Board's MFP funding in the three fiscal years of operations. It is unknown at this time how much the charter will be funded by the MFP for the current year.
- Total 2019 Governmental Funds expenditures decreased to \$77,988,423, a \$16.1 million decrease from the 2018 total of \$94,099,020. The \$16.8 million decrease in capital outlay in the Capital Projects Fund was offset by an increase of some \$535,000 in General Fund spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.



These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the Notes to Basic Financial Statements), and required supplementary information.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

Government-wide Financial Statements. The *Government-wide Financial Statements* are designed to provide readers with a broad overview of The Boards' finances, in a manner similar to private sector business.

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

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

Both of the government-wide financial statements present functions of The Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The Board, which served some 3,640 students during the 2018-2019 school year, has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system.

The governmental activities of The Board included regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of The Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures,

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Debt Service Fund, which are considered The Board's major funds. The remaining funds are combined into a single, aggregated presentation under the label of Nonmajor funds, which contains all other governmental funds. Individual fund data for each of these Nonmajor funds is provided in the form of combining statements elsewhere in this report. The Board adopts annual appropriated budgets for the General Fund and Special Revenue Funds as required by state law. Budgets are not adopted for the Debt Service and Capital Projects Funds, which effectively achieve budgetary control through bond indenture provisions and Board-adopted construction plans. Accordingly, budget to actual comparisons were not prepared for these fund types.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support The Board's programs. The Board's Fiduciary Fund consists of the Sales and Use Tax department and the School Activity Funds, which are school-based cash accounts.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information*. Included therein is this MDA, a General Fund budget to actual comparative statement, the combining statements referred to earlier in connection with Nonmajor governmental funds, financial information on The Board's Other Postemployment Benefits (retiree health and life insurance), and financial information on The Board's Net Pension Liability in accordance with the implementation of GASB Statements 68 and 71. Additionally, the *Other Supplementary Information* section contains certain financial data on individual funds and other required topics are presented.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, over time Net Position/(Deficit) serves as a useful indicator of a government's financial condition. On June 30, 2019, The Board's Net Position/(Deficit) was \$(86,072,439), an increase of \$14,082,095 from the Net Position/(Deficit) of \$(100,154,534) for 2018. The net deficit is shown as follows:

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

St. James Parish School Board, Lutcher Louisiana

NET POSITION			
	2019	2018	Change
Current and Other Assets	\$ 21,205,142	\$ 21,143,450	\$ 61,692
Non-Depreciable Capital Assets			-
Land and Work in Progress	5,633,068	39,907,995	(34,274,927)
Capital Assets, net of accumulated depreciation	103,259,489	70,491,064	32,768,425
TOTAL ASSETS	130,097,699	131,542,509	(1,444,810)
Deferred Outflows of Resources	18,516,140	10,919,998	7,596,142
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	148,613,839	142,462,507	6,151,332
Current Liabilities	12,302,822	20,142,543	7,839,721
Long-Term Liabilities	208,912,084	211,275,662	2,363,578
TOTAL LIABILITIES	221,214,906	231,418,205	10,203,299
Deferred Inflows of Resources	13,471,372	11,198,836	(2,272,536)
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	234,686,278	242,617,041	7,930,763
Net Position			
Net Investment in Capital Assets	38,503,017	34,759,039	3,743,978
Restricted	5,967,887	6,936,092	(968,205)
Unrestricted (Deficit)	(130,543,343)	(141,849,665)	11,306,322
NET DEFICIT	\$ (86,072,439)	\$ (100,154,534)	\$ 14,082,095

The Board's increase in Net Position/(Deficit) during 2019 is further detailed in the comparative table presented below:

St. James Parish School Board, Lutcher Louisiana

CHANGES IN NET POSITION			
	2019	2018	Change
Program Revenues:			
Charges for Services	\$ 54,281	\$ 70,709	\$ (16,428)
Operating grants	7,793,126	7,235,300	557,826
General Revenues			
Sales and Use Taxes	25,806,278	19,645,026	6,161,252
Ad Valorem Taxes	27,315,065	25,688,459	1,626,606
Minimum Foundation Program (equalization)	12,001,780	11,626,371	375,409
Other	6,365,433	1,915,899	4,449,534
TOTAL REVENUES	79,335,963	66,181,764	13,154,199
Expenses			
Instruction	29,298,501	30,368,878	(1,070,377)
Student and Staff Support	7,492,246	7,234,651	257,595
Administration	10,344,478	9,561,087	783,391
Plant Services	(1,252,169)	5,909,598	342,571
Pupil Transportation	4,291,319	4,077,084	214,235
Food Service	1,420,300	2,936,854	(483,446)
Debt Service	1,349,874	2,502,731	(1152,857)
Other	1,804,981	1,796,463	8,518
TOTAL EXPENSES	65,253,868	64,387,346	866,522
INCREASE (DECREASE) IN NET DEFICIT	14,082,095	1,794,418	12,287,677
NET DEFICIT, BEGINNING OF YEAR	(100,154,534)	(101,948,952)	1,794,418
NET DEFICIT, END OF YEAR	\$ (86,072,439)	\$ (100,154,534)	\$ 14,082,095

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

Of the 2019 net position, \$38,503,017 is reflected as its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures and equipment) less any related debts used to acquire those assets that remain outstanding. The Board uses these capital assets in the delivery of services to its students and citizens and consequently, these assets are not available for future spending. Although The Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those related liabilities.

Another component of The Board's net position represents resources that are subject to external and legal restrictions on how those resources may be used (e.g. tax dedications, bond indenture provisions, construction contracts). Accordingly, \$5,967,887 of The Board's net position is reported as restricted since it is available only for retirement of long-term bonded debt.

FINANCIAL ANALYSIS OF THE BOARD'S FUNDS

As previously noted, The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of The Board's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing The Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For 2019, The Board's governmental funds reported a combined ending fund balance of \$14,441,029, up \$7,019,639 from the \$7,421,390 reported in 2018. Of the 2019 balance, 41 percent is restricted for specifically designated purposes. The Debt Service Fund reports a fund balance of \$5,967,887 and that money is restricted for the payment of long-term debt principal and interest.

The General Fund, the chief operating fund of The Board, reported a fund balance of \$8,404,877, a figure that represents 58 percent of the total fund balance reported in the governmental funds. The Nonspendable portion of the General Fund fund balance, \$62,077, represents monies that have already been expended for prepaid insurances and curriculum and technology services for the upcoming fiscal year. The Committed amount of \$1,523,428 is set aside to fund The Board's partially self-funded group health and workers compensation insurance plans. The remainder of the General Fund fund balance, \$6,819,372, is unassigned.

The Board's *major funds*, the General Fund and Debt Service Fund, have been previously discussed throughout the MDA. The *Nonmajor* funds consist of The Board's Special Revenue Funds and Capital Projects Fund for 2019. With the exception of the School Food Service Fund, all the Special Revenue Funds are federal grant programs that are operated on a dollar-for-dollar cost reimbursement basis. The School Food Service Fund receives federal grant dollars for meals served and has optioned to participate in the Community Eligibility Program that deems all students eligible for free meals. The fund also has a user charge component that accounts for food sales to staff and visitors and any extra sales. Additionally, this fund receives an operating transfer from the General Fund, \$445,823 in 2019, to support its financial

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

any extra sales. Additionally, this fund receives an operating transfer from the General Fund, \$445,823 in 2019, to support its financial operations. The Nonspendable fund balance reported in the Nonmajor funds, \$68,265, represents food inventory reported in the School Food Service Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

State law mandates that Louisiana 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 Board during the fiscal year.

Material revisions were made to the General Fund revenue budget to accommodate increases in local tax receipts of some \$4.1 million in Sales and Use Tax and roughly \$1.2 million in Ad Valorem Tax revenue. Of the \$2.9 million budget increases in expenditures, some \$2.6 million were in increased appropriations in the related areas of maintenance and capital outlay.

Expenditures exceeded budget allocations in three Special Revenue Funds. Two were federal grants – ESSA Title I and Carl Perkins Vocational Education – and both overages were absorbed by a funding increase received from the grantor agency. The School Food Service Fund exceeded budgeted allocations by some \$156,000, of which \$145,000 was absorbed by revenues in excess of budgeted figures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Board's investment in capital assets on June 30, 2019 amounted to \$108,892,557 net of accumulated depreciation. A summary of The Board's capital assets for the past two fiscal years follows:

St. James Parish School Board, Lutcher Louisiana
CHANGES IN CAPITAL ASSETS

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Non-Depreciable Capital Assets:			
Land	\$ 2,402,231	\$ 2,402,231	\$ -
Work in Progress	<u>3,230,837</u>	<u>37,505,764</u>	<u>(34,274,927)</u>
Non-Depreciable Capital Assets	<u>5,633,068</u>	<u>39,907,995</u>	<u>(34,274,927)</u>
Depreciable Capital Assets:			
Buildings and Improvements	139,456,089	109,456,359	29,999,730
Furniture, Fixtures, and Equipment	8,430,267	8,389,718	40,549
Accumulated Depreciation	<u>(44,626,867)</u>	<u>(47,355,013)</u>	<u>2,728,146</u>
Depreciable Capital Assets, net of Accumulated Depreciation	<u>103,259,489</u>	<u>70,491,064</u>	<u>32,768,425</u>
TOTAL CAPITAL ASSETS, net of depreciation	<u>\$ 108,892,557</u>	<u>\$ 110,399,059</u>	<u>\$ (1,506,502)</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

Additional information pertaining to capital assets is in Note C in the Notes to Basic Financial Statements on page 29 of this report.

Long-Term Debt. On June 30, 2019, The Board reported outstanding bonded debt, premium, and capital leases of \$72,605,582, a decrease of \$5,531,343 from the \$78,136,925 reported in 2018. The changes were comprised of \$5,372,350 in debt principal payments, a reduction in estimate of debt of \$72,063, and amortization of the debt premium of \$86,930. Further information on bonded indebtedness, premium, capital lease, and compensated absences payable is contained in Note F on page 31 of this CAFR.

In accordance with the newly implemented Governmental Accounting Standards Board (GASB) Statement 75, The Board reported a 2019 Other Post-Employment Benefits obligation of \$78,197,641, an increase of \$6,984,040 from the 2018 obligation of \$71,213,601. Further information pertaining to The Board's postemployment obligation for health and life insurance on behalf of its retirees can be found in Note J on page 47 of this CAFR.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For fiscal years 2014 through 2018 The Board reported deficit spending in its General Fund. The excess expenditures over that five-year span resulted in a fund balance of some \$3 million, a thin membrane of financial protection for a General Fund that reported some \$56.2 million in outgoing financial resources in 2018.

That troubling trend came to a halt in 2019 due to local tax revenue. While General Fund outflows increased slightly to some \$56.6 million in 2019, sales tax and ad valorem tax revenue exceeded 2018 levels by some \$7.7 million with the bulk of that increase coming from sales and use tax revenue gleaned from the ongoing construction of a major new methanol plant in the parish.

The 2019 General Fund surplus of \$8.4 million certainly provides more stability and comfort than the \$3 million reported in 2018 but The Board is still faced with a financial future that could go one of three ways – up, down, or status quo. As you might imagine from reading this CAFR, The Board's local tax revenue will determine the pathway forward.

Another major industry is in the final regulatory and permitting stages and has projected construction to begin on a \$9 billion plus plastics plant in 2020. If that construction begins as planned, The Board should be looking at generational wealth during the construction phase over the next two to three years. If, unexpectedly, those plans do not come to fruition, The Board must prioritize and reduce General Fund spending.

The 2019 General Fund budget calls from some \$1.5 million in excess expenditures, primarily due to much-needed facility repairs and upgrades that were outside the scope of the recently completed general obligation bond construction program. The current General Fund budget projects Sales and Use

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of June 30, 2019

Tax revenue at \$24 million, some \$1.8 million less than 2018 collections. Through the date of this report, those revenues are trending some \$2 million in excess of that \$24 million budget. If that pattern holds true for the back half of the 2020 fiscal year, The Board may not have to dip into its surplus to fund 2020 operations. If that trend tapers off or regresses, The Board may be forced to address additional financial cutbacks to lessen the impact on its General Fund reserves.

On the expenditure side of the equation, The Board's salary and retirement contribution costs were increased by some \$650,000 without a vote from any of the seven Board members. The Louisiana Legislature passed a teacher pay raise in the spring of 2019 to be funded through the state's equalization formula, the Minimum Foundation Program (MFP). With an expected sizable decrease in MFP funding due to The Board's spike in local tax revenue - the MFP is not final until the March 1 budget letter from the state - The Board could be facing an unfunded mandate of as much as \$1.5 million. This situation is a picture-perfect example of the absolute necessity of maintaining adequate General Fund reserve monies.

As with most of the rest of the world, The Board is also facing the challenge of continually escalating group health care costs. The Board has long been a state leader in both average teacher pay as well as the quality of health coverage offered to its employees and retirees. In the aggregate, The Board contributes 80 percent of the health care premium with active employees and select retirees funding the remaining 20 percent. In 2015 The Board approved a policy that requires all Medicare-eligible retirees to enroll in a medicare advantage plan, a move that saved a considerable amount of Board money at its inception. The Board currently covers 93 percent of that Medicare advantage premium. Despite its noble intentions, The Board is fast approaching a posture of being unable to avoid passing on significant cost increases to its employees and retirees.

Facility maintenance, particularly heating, ventilation, and air conditions systems, and student transportation costs continue to be financial challenges. Without the hoped-for reality of additional local tax revenues, these two focus areas will become areas of critical financial concern.

As noted throughout this report, local tax revenue holds the key to The Board's financial vitality. If the new proposed industry(ies) become reality, all financial headaches subside immediately. If local tax maintains its current fiscal year 2020 posture, aggressive cost containment becomes the catch-phrase. If local tax levels revert to the 2016-2018 averages, a major restructuring of service delivery becomes mandatory.

REQUESTS FOR INFORMATION

Questions concerning this CAFR or other financial information should be addressed to Mr. James D. Mitchell, Administrative Director of Business Operations, St. James Parish School Board, P.O. Box 338, Lutcher, Louisiana, 70071. Mr. Mitchell can be reached at 225-258-4520 or jmitchell@sjspsb.org.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

STATEMENT OF NET POSITION

As of June 30, 2019

Statement A

ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$	16,443,132
Receivables		4,631,668
Inventory		68,265
Other Assets		62,077
Capital Assets:		
Non-Depreciable - Land and Work in Progress		5,633,068
Buildings and Equipment, net of accumulated depreciation		103,259,489
	TOTAL ASSETS	<u>130,097,699</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows Related to Pension Liability		12,749,249
Deferred Outflows Related to Other Post-Employment Benefits		5,287,035
Deferred Amount on Refunding Bond Issue		479,856
	TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>18,516,140</u>
	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 148,613,839</u>
LIABILITIES:		
Current Liabilities:		
Accounts, Salaries, and Other Payables	\$	6,764,113
Interest Payable		757,032
Long-Term Liabilities:		
Due Within One Year:		
Compensated Absences Payable		81,414
Long Term Debt		4,700,263
Due In More Than One Year:		
Compensated Absences Payable		1,953,945
Long Term Debt		67,905,319
Other Post-Employment Benefits		78,197,641
Net Pension Liability		60,855,179
	TOTAL LIABILITIES	<u>221,214,906</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows Related to Pension Liability		9,845,051
Deferred Inflows Related to Other Post-Employment Benefits		3,626,321
	TOTAL DEFERRED INFLOW OF RESOURCES	<u>13,471,372</u>
NET POSITION:		
Net Investment in Capital Assets		38,503,017
Restricted:		
Debt Service		5,967,887
Unrestricted (Deficit)		<u>(130,543,343)</u>
	TOTAL NET POSITION (DEFICIT)	<u>(86,072,439)</u>
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 148,613,839</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement C

GOVERNMENTAL FUNDS

Balance Sheet

As of June 30, 2019

With Comparative Totals for June 30, 2018

	<u>MAJOR FUNDS</u>		<u>NON-</u>		
	<u>GENERAL</u>	<u>DEBT</u>	<u>MAJOR</u>		
		<u>SERVICE</u>	<u>FUNDS</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Cash and Cash Equivalents	\$ 10,139,902	\$ 5,967,089	\$ 336,141	\$ 16,443,132	\$ 16,500,632
Receivables	2,746,040	798	1,884,830	4,631,668	4,400,583
Interfund Receivables	1,726,785	-	-	1,726,785	1,571,013
Inventory	-	-	68,265	68,265	70,884
Other Assets	62,077	-	-	62,077	171,351
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 14,674,804	\$ 5,967,887	\$ 2,289,236	\$ 22,931,927	\$ 22,714,463
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, Salaries, and Other Payables	\$ 6,269,927	\$ -	\$ 494,186	\$ 6,764,113	\$ 9,850,393
Interfund Payables	-	-	1,726,785	1,726,785	1,571,013
Unearned Revenue	-	-	-	-	3,871,667
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	6,269,927	-	2,220,971	8,490,898	15,293,073
Fund Balances:					
Nonspendable	62,077	-	68,265	130,342	242,235
Restricted:					
Debt Service	-	5,967,887	-	5,967,887	6,936,092
Committed - Self-Insurances	1,523,428	-	-	1,523,428	1,410,395
Unassigned	6,819,372	-	-	6,819,372	(1,167,332)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	8,404,877	5,967,887	68,265	14,441,029	7,421,390
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 14,674,804	\$ 5,967,887	\$ 2,289,236	\$ 22,931,927	\$ 22,714,463

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement D

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position As of June 30, 2019

Total Fund Balances at June 30, 2019 - Governmental Funds		\$	14,441,029
Cost of capital assets at June 30, 2019	\$	153,519,424	
Less: Accumulated Depreciation as of June 30, 2019:			
Buildings		(39,240,613)	
Furniture, Fixtures, and Equipment		(5,386,254)	
			108,892,557
Deferred Amount on Refunding Bond Issue			479,856
Long-Term Liabilities at June 30, 2019:			
Long-Term Debt		(72,605,582)	
Accrued Interest Payable		(757,032)	
Other Post-Employment Benefits		(78,197,641)	
Compensated Absences Payable		(2,035,359)	
			(153,595,614)
Pension Liability, Deferred Inflows and Deferred Outflows of Resources			
Net Pension Liability		(60,855,179)	
Deferred Amounts Related to Pension Liability		2,904,198	
Deferred Amounts Related to Other Post Employment Benefits		1,660,714	
			(56,290,267)
NET POSITION - Governmental Activities		\$	<u>(86,072,439)</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement E

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2019

With Comparative Totals for the Year Ended June 30, 2018

	MAJOR FUNDS		NON-MAJOR FUNDS	TOTALS	
	GENERAL	DEBT SERVICE		2019	2018
REVENUES					
Local Sources:					
Taxes: Ad Valorem	\$ 21,303,524	\$ 6,011,541	\$ -	\$ 27,315,065	\$ 25,688,459
Sales and Use	25,806,278	-	-	25,806,278	19,645,026
Charges for Services	-	-	54,281	54,281	70,709
Interest Earnings	5,984	12,280	-	18,264	206,066
Other	1,689,867	-	22,089	1,711,956	1,692,884
Total Local Sources	48,805,653	6,023,821	76,370	54,905,844	47,303,144
State Sources:					
Minimum Foundation Program	12,001,780	-	-	12,001,780	11,626,371
Other	507,213	-	-	507,213	399,794
Total State Sources	12,508,993	-	-	12,508,993	12,026,165
Federal Sources	670,095	-	6,714,924	7,385,019	6,852,455
TOTAL REVENUES	61,984,741	6,023,821	6,791,294	74,799,856	66,181,764
EXPENDITURES					
Current:					
Instruction:					
Regular Programs	20,255,511	-	-	20,255,511	21,093,930
Special Programs	4,558,486	-	441,092	4,999,578	5,335,848
Vocational Programs	807,957	-	46,159	854,116	954,112
All Other Programs	3,418,086	-	1,636,124	5,054,210	4,834,638
Support Services:					
Pupil Support	4,067,772	-	547,199	4,614,971	4,279,053
Instructional Staff Support	2,127,215	-	1,042,823	3,170,038	3,261,653
General Administration	2,165,902	194,841	-	2,360,743	2,287,295
School Administration	4,056,893	-	-	4,056,893	4,013,738
Business Services	704,334	-	-	704,334	704,051
Plant Services	6,065,731	-	-	6,065,731	5,919,059
Pupil Transportation	4,060,060	-	5,204	4,065,264	4,162,701
Central Services	1,726,337	-	-	1,726,337	1,814,996
Food Services	-	-	3,231,213	3,231,213	3,158,087
Community Services	120,000	-	2,670	122,670	6,746
Capital Outlay	1,378,134	-	7,531,496	8,909,630	24,478,364
Debt Service:					
Principal Retirement	991,080	4,381,270	-	5,372,350	5,215,902
Interest and Bank Charges	8,919	2,415,915	-	2,424,834	2,578,847
TOTAL EXPENDITURES	56,512,417	6,992,026	14,483,980	77,988,423	94,099,020

(Continued)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement E

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019
With Comparative Totals for the Year Ended June 30, 2018

	MAJOR FUNDS		NON-MAJOR FUNDS	TOTALS	
	GENERAL	DEBT SERVICE		2019	2018
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	5,472,324	(968,205)	(7,692,686)	(3,188,567)	(27,917,256)
OTHER FINANCING SOURCES (USES):					
Sale of Fixed Assets	-	-	10,100,000	10,100,000	-
Insurance Proceeds	108,206	-	-	108,206	-
Interfund Transfers In	265,163	-	445,823	710,986	656,096
Interfund Transfers Out	(445,823)	-	(265,163)	(710,986)	(656,096)
TOTAL OTHER FINANCING SOURCES / (USES)	(72,454)	-	10,280,660	10,208,206	-
NET CHANGES IN FUND BALANCES	5,399,870	(968,205)	2,587,974	7,019,639	(27,917,256)
FUND BALANCES - BEGINNING	3,005,007	6,936,092	(2,519,709)	7,421,390	35,338,646
FUND BALANCES - ENDING	\$ 8,404,877	\$ 5,967,887	\$ 68,265	\$ 14,441,029	\$ 7,421,390

Concluded

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement F

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2019

Total Net Changes in Fund Balances for the year ended June 30, 2019		\$	7,019,639
Capital Assets:			
Capital Outlay Capitalized	8,679,595		
Depreciation Expense	<u>(4,622,205)</u>		
			4,057,390
Excess of Interest Paid over Interest Accrued			56,581
Change in Net Pension Liability and Deferred Inflows / Outflows of Resources			9,934,672
Long-Term Debt:			
Principal Portion of Debt Service Payments	5,372,350		
Change in Estimate - Debt Principal	72,063		
Amortization of Debt Premium	86,930		
Amortization of Deferred Amount on Refunding Issue	(68,551)		
Increase in Other Post-Employment Benefits	(6,984,040)		
Excess of Compensated Absences Used over Amounts Earned	<u>98,953</u>		
			(1,422,295)
Other Financing Source - Sale of Fixed Assets			(10,100,000)
Gain on Disposition of Fixed Assets			<u>4,536,108</u>
CHANGE IN NET POSITION - Governmental Activities		\$	<u>14,082,095</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement G

FIDUCIARY FUND
Statement of Fiduciary Assets and Liabilities
As of June 30, 2019

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>3,472,678</u>
TOTAL ASSETS	\$ <u><u>3,472,678</u></u>
LIABILITIES	
Deposits Due Others	\$ <u>3,472,678</u>
TOTAL LIABILITIES	\$ <u><u>3,472,678</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The St. James Parish School Board (The 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 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 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 Board operated eight schools, two educational sites, a Central Office, and four support facilities within the Parish and served an enrollment of some 3,640 students. In conjunction with the regular educational programs, all or some schools offer special education and vocational education instructional services. The 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 Board provides transportation and food service for its students.

B. Basis of Presentation

The financial statements of The 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 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 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 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 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 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

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 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 Board or by enabling legislation. 3) *Committed* – Balances constrained by formal action of The Board; i.e. adoption of a resolution. Modification or rescission of the 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 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 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 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 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 Board.

The Board reports the following *major funds*:

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

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.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

Nonmajor funds include The Board's Special Revenue Funds that account for The Board's federal grant programs and a Capital Projects Fund accounting for the construction activity associated with bonded debt incurred in 2015 and 2016.

Fiduciary fund activity reported herein consists of the receipts and disbursements of school activity funds maintained at each school site as well as sales and use tax collections and distributions to the taxing bodies in the parish. The Board accounts for its fiduciary funds using the accrual basis of accounting. The sales and use tax department is housed in The Board's Central Office. While tax collection and distribution activities are reported in the fiduciary fund, all other departmental financial activity is reported in The 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 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 Board is also authorized to invest in LAMP, a non-profit corporation organized under state law and operated by the State Treasurer as a local government investment pool. LAMP investments may be liquidated at any time at par and therefore the cost of LAMP investments are the fair value of the investments.

2) Receivables and Payables

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

3) Ad Valorem Taxes

Ad valorem (property) taxes were levied by The Board on June 26, 2018, based on assessed valuation of property as of January 1, 2018. 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 Board's fiscal year. Consequently, any taxes left unpaid at June 30 of each year are usually immaterial. The Board authorized and levied the following ad valorem taxes on the 2018 tax rolls:

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

<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	8.60
Early Childhood Development 1997	3.00	2.87
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 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 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 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.

5) Inventories

Inventories of the School Food Service Special Revenue Fund consist of food purchased by The 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, a multi-year instructional services agreement, 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

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

threshold of \$5,000 is based on guidelines promulgated by The 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 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 Board does not possess any material amounts of infrastructure assets, such as sidewalks and parking lots. Amounts expended prior to June 30, 2002 for such items were considered to be part of the cost of the buildings or other immovable property such as stadiums. In the future, if such items are built or constructed, and are material in relation to the class of assets, they will be capitalized and depreciated.

8) **Compensated Absences**

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

Vacation - Full-time employees who work 12-month schedules are granted vacations in varying amounts as established by Board policy. Vacation time cannot be carried forward into a succeeding fiscal year and 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 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

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

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 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 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 page 21 of the Notes to Basic Financial Statements.

12) Comparative Data / Reclassifications

Comparative data for prior years have been presented in fund financial statements in order to facilitate the making of comparisons between years and to reconcile changes in financial position from year-to-year. Also, certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

13) 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

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS
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revenues and expenses / expenditures during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The 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 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 Board's Official Journal and The Board makes the proposed budgets available for public inspection. After a public hearing(s), The 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 and Capital Projects Funds, which effectively achieve budgetary control through bond indenture provisions and Board-adopted construction plans, respectively. 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 Board during the fiscal year. Material revisions were made to the General Fund revenue budget to accommodate increases in local tax receipts of some \$4.1 million in Sales and Use Tax and roughly \$1.2 million in Ad Valorem Tax revenue. Of the \$2.9 million budget increases in expenditures, some \$2.6 million were in increased appropriations in the related areas of maintenance and capital outlay.

Expenditures exceeded budget allocations in three Special Revenue Funds. Two were federal grants – ESSA Title I and Carl Perkins Vocational Education – and both overages were absorbed by a funding increase received from the grantor agency. The School Food Service Fund exceeded budgeted allocations by some \$156,000, of which \$145,000 was absorbed by program revenues in excess of budgeted figures.

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.

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III. DETAILED NOTES ON ALL FUNDS

A. Equity in Pooled Cash, Deposits and Investments

1. Equity in Pooled Cash

The 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, 2019 the Board had cash (book balances) totaling \$19,915,816. Included in the Cash and Cash Equivalents line item are the following:

Cash Deposits	\$	19,104,574
LAMP		<u>811,242</u>
TOTAL	\$	<u>19,915,816</u>

As of June 30, 2019, the Board's bank balance was \$19,834,399. Of the bank balance, \$502,164 was covered by Federal depository insurance and the Securities Investor Protection Corporation, and \$19,332,235 was covered by collateral held by the Board's fiscal agent in the Board's name.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Board's deposits may not be recovered or the Board will not be able to recover collateral securities that are in the possession of an outside party. Since the Board's uninsured bank balances were collateralized with securities held in the name of the Board by the pledging financial institution's agent, deposits in the amount of \$19,332,235 are exposed to custodial credit risk.

At June 30, 2019, the Board also had invested \$811,242 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2019 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 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

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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.

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 board of directors. LAMP is not registered with the SEC as an investment company.

B. Receivables

The receivables of \$ 4,631,668 on June 30, 2019 consisted of the following:

	General Fund	Debt Service Fund	Non-Major Governmental Funds	TOTALS
Federal Grants	\$ 6,163	\$ -	\$ 1,883,023	\$ 1,889,186
State Grants	605,236	-	-	605,236
Local Taxes / Other	2,134,641	798	1,807	2,137,246
TOTALS	\$ 2,746,040	\$ 798	\$ 1,884,830	\$ 4,631,668

C. Capital Assets

Capital asset and depreciation activity as of and for the year ended June 30, 2019 is as follows:

	Land	Buildings and Imprvmts	Furniture, Fixtures & Equipment	Work in Progress	TOTALS
Cost, July 1, 2018	\$ 2,402,231	\$ 109,456,359	\$ 8,389,720	\$ 37,505,764	\$ 157,754,074
Additions	-	42,801,527	152,995	2,892,615	45,847,137
Deletions	-	12,801,797	112,448	37,167,542	50,081,787
Cost, June 30, 2019	<u>\$ 2,402,231</u>	<u>\$ 139,456,089</u>	<u>\$ 8,430,267</u>	<u>\$ 3,230,837</u>	<u>\$ 153,519,424</u>
Depreciation:					
Accumulated, July 1, 2018	\$ -	\$ 42,974,498	\$ 4,380,526	\$ -	\$ 47,355,024
Additions	-	3,504,029	1,118,176	-	4,622,205
Deletions	-	7,237,914	112,448	-	7,350,362
Accumulated, June 30, 2019	<u>\$ -</u>	<u>\$ 39,240,613</u>	<u>\$ 5,386,254</u>	<u>\$ -</u>	<u>\$ 44,626,867</u>
Capital Assets, net of Accumulated Depreciation, June 30, 2019	<u>\$ 2,402,231</u>	<u>\$ 100,215,476</u>	<u>\$ 3,044,013</u>	<u>\$ 3,230,837</u>	<u>\$ 108,892,557</u>

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Capital assets recorded under The Board's capital lease are computers utilized in The Board's one-to-one computer initiative. The gross amount carried in the Furniture, Fixtures, and Equipment category is \$3,392,499.

Depreciation expense of \$4,622,205 for the year ended June 30, 2019 was charged accordingly:

<u>Instruction:</u>	
Regular Programs	\$ 398,078
Special Programs	98,256
Vocational Programs	16,786
All Other Programs	99,330
<u>Support Services:</u>	
Pupil Support	90,697
Instructional Staff Support	62,300
General Administration	3,466,654
School Administration	79,729
Business Services	13,842
Plant Services	119,209
Pupil Transportation	79,894
Central Services	33,927
Food Services	63,503
	<hr/>
TOTAL	\$ <u>4,622,205</u>

D. Accounts, Salaries, and Other Payables

The payables of \$ 6,764,113 on June 30, 2019 consisted of the following:

	General	Nonmajor	
	Fund	Governmental	
		Funds	TOTALS
Accounts	\$ 1,535,056	\$ 54,534	\$ 1,589,590
Salaries and Benefits	3,611,210	150,676	3,761,886
Contracts	583,243	288,976	872,219
Worker's Comp Accrued Claims	35,817	-	35,817
Health Insurance Accrued Claims	504,601	-	504,601
	<hr/>	<hr/>	<hr/>
TOTALS	\$ 6,269,927	\$ 494,186	\$ 6,764,113

E. Interfund Receivables, Payables, and Transfers

Amounts of interfund receivables, payables, and transfers as of and for the year ended June 30, 2019 follow:

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	Interfund Balances and Transfers			
	Receivables	Payables	Transfers In	Transfers Out
General Fund	\$ 1,726,785	\$ -	\$ 265,163	\$ 445,823
Non-Major Governmental Funds:				
NCLB Title I	-	531,735	-	74,244
NCLB Titles II, III, IV	-	161,164	-	17,640
NCLB IDEA	-	628,011	-	68,185
Vocational Education	-	40,303	-	-
Head Start	-	365,572	-	105,094
School Food Service	-	-	445,823	-
TOTALS	\$ 1,726,785	\$ 1,726,785	\$ 710,986	\$ 710,986

Interfund receivables and payables arise as a result of the consolidated cash account utilized by The 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 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, compensated absences payable, net pension liability further discussed in Note G, and the OPEB further discussed in Note H. A summary of changes in bonded debt, capital leases, and compensated absences payable for the year ended June 30, 2019 follows:

	Balance, July 1, 2018	Additions	Retirements	Balance, June 30, 2019
Bonded Debt	\$ 75,621,664	\$ -	\$ 4,453,331	\$ 71,168,333
Bond Premium	1,524,179	-	86,930	1,437,249
Capital Lease	991,080	-	991,080	-
Compensated Absences	2,134,312	(14,294)	84,659	2,035,359
TOTALS	\$ 80,271,235	\$ (14,294)	\$ 5,616,000	\$ 74,640,941

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

The Board has several debt issues outstanding at June 30, 2019. The April 1, 2006 bond issue was for the advance refunding of 1990, 1994, 1995, 2000, and 2002 bonds, respectively. 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) have been and are being used to fund parishwide facility improvements and/or capital equipment acquisition. The April 1, 2015 issue advance refunded the majority of bonds issued December 1, 2007 and the

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February 1, 2002 Qualified Zone Academy Bonds (QZAB) monies. The June 1, 2015 capital lease agreement is with Apple Financial Services for a one-to-one classroom computer initiative. A summary of bonded debt and premium:

<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>
<i>General Obligation Bonds:</i>						
April 1, 2006	4,245,000	3.4-4.05%	4-1-20	\$ 25,506	\$ 510,000	\$ -
June 1, 2011	6,500,000	0-1%	3-1-26	204,750	3,033,330	-
September 1, 2012	13,500,000	2-3.125%	3-1-32	2,253,244	9,935,000	-
April 1, 2015	10,910,000	1.2-2.6%	3-1-27	1,024,456	8,855,000	-
September 1, 2015	20,000,000	3.75-5%	3-1-35	5,763,781	16,580,000	611,662
April 1, 2016	36,000,000	3.125-5%	3-1-36	10,260,106	32,255,000	825,590
	<i>General Obligation Bonds</i>			<u>19,531,843</u>	<u>71,168,330</u>	<u>1,437,252</u>
<i>Capital Lease:</i>						
June 1, 2015	3,392,499	1.997%	7-15-18	-	-	-
			TOTALS	\$ 19,531,843	\$ 71,168,330	\$ 1,437,252
					TOTAL PRINCIPAL AND PREMIUM ON BOND ISSUANCE	\$ 72,605,582

Future funding requirements on long-term debt:

<i>Fiscal Year</i>	<i>General Obligation Bonds</i>						TOTALS
	<u>4-1-06</u>	<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>	
2020 Prin	510,000	433,333	595,000	970,000	755,000	1,350,000	4,613,333
Int	25,505	29,250	286,144	212,439	655,544	1,062,213	2,271,095
2021 Prin		433,333	620,000	1,010,000	785,000	1,405,000	4,253,333
Int		29,250	271,331	191,884	617,794	1,008,150	2,118,409
2022 Prin		433,333	645,000	1,045,000	820,000	1,465,000	4,408,333
Int		29,250	257,976	169,352	578,544	944,588	1,979,710
2023 Prin		433,333	670,000	1,085,000	850,000	1,525,000	4,563,333
Int		29,250	243,008	145,139	537,544	882,775	1,837,716
2024 Prin		433,333	700,000	1,125,000	885,000	1,585,000	4,728,333
Int		29,250	224,281	119,218	495,044	841,288	1,709,081
2025-2029							
Prin		866,665	3,935,000	3,620,000	5,000,000	8,955,000	22,376,665
Int		58,500	789,756	186,424	1,889,969	3,467,613	6,392,262
2030-2034							
Prin			2,770,000		6,110,000	10,940,000	19,820,000
Int			180,748		937,781	1,798,400	2,916,929
2035-2037							
Prin					1,375,000	5,030,000	6,405,000
Int					51,561	255,079	306,640
Totals: Prin	<u>510,000</u>	<u>3,033,330</u>	<u>9,935,000</u>	<u>8,855,000</u>	<u>16,580,000</u>	<u>32,255,000</u>	<u>71,168,330</u>
Int	<u>25,505</u>	<u>204,750</u>	<u>2,253,244</u>	<u>1,024,456</u>	<u>5,763,781</u>	<u>10,260,106</u>	<u>19,531,843</u>
TOTALS	\$ 535,505	\$ 3,238,080	\$ 12,188,244	\$ 9,879,456	\$ 22,343,781	\$ 42,515,106	\$ 90,700,173

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The current portion of long-term debt is \$4,700,263 while the long-term portion is \$67,905,319. 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 obligation that was funded by General Fund revenues. At June 30, 2019, The Board had amassed \$5,967,887 in the Debt Service Fund for future bonded debt requirements. The Board is legally restricted from incurring long-term debt financed through property taxes in excess of 35% of the assessed valuation of taxable property. At June 30, 2019, the statutory limit was \$224,562,053 and the remaining debt margin was \$151,956,471.

Compensated Absences

Compensated absences consist of that portion of accumulated regular sick leave for which The 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, 2019. Of the \$ 2,035,359 balance reported, \$81,414 is estimated to be due within one year of June 30, 2019. All compensated absence liabilities are liquidated through the General Fund.

G. Employee Retirement Systems

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

Teachers' Retirement System of Louisiana – Regular and Plan A

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

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

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 sixty-two 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 sixty 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 21, 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, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of

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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 55 with 25 years of service, age 60 with 5 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 or credit service or age 55 with at least 30 years of service credit. Members first eligible to join and hired on or after July 1, 2015, may retire with a 2.0% benefit factor after attaining age 62 with at least 5 years of service credit or with an actuarially reduced benefit with 20 years of service at any age.

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

Payment options: A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or a lump sum that cannot exceed 36 months of the member's 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, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

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

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.

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of 21, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate 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.

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.

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The rates in effect during the fiscal year ended June 30, 2019 are as follows:

<u>TRSL Sub Plan 2019</u>	<u>Employer Contributions</u>
K-12 Regular Plan	26.7%
Higher Ed Regular Plan	25.5%
Plan A	26.7%
Plan B	26.7%

<u>ORP</u>	<u>Employer UAL</u>
2019	21.8%

The agency's contractually required composite contribution rate for the year ended June 30, 2019 was 26.7% 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 \$7,289,257 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2019, the School Board reported a liability of \$59,124,877 for its proportionate share of the TRSL Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 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, 2018, the School Board's proportion was 0.60160%, which was a decrease of 0.01828% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School Board recognized pension expense of \$3,907,454 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$267,458.

At June 30, 2019, 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 experience	\$ -	\$ 1,947,695
Changes in assumptions	3,798,967	-
Net difference between projected and actual earnings on pension plan investments	-	3,810,487
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,358,688	3,773,726
Employer contributions subsequent to the measurement date	<u>7,289,257</u>	<u>-</u>
TOTALS	\$ <u>12,446,912</u>	\$ <u>9,531,908</u>

Deferred outflows of resources of \$7,289,257 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

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS
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ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FYE June 30,	Pension Expense
2020	\$ 91,662
2021	(1,236,495)
2022	(2,758,109)
2023	<u>(471,311)</u>
TOTAL	<u>\$ (4,374,253)</u>

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

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Teachers' Retirement System of Louisiana

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.65% net of investment expenses
Inflation Rate	2.5% per annum
Salary Increases	3.3 – 4.8% varies depending upon duration of service
Cost of Living Adjustments	None
Mortality Rates	Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and 1.189 for females.

ST. JAMES PARISH SCHOOL BOARD
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NOTES TO BASIC FINANCIAL STATEMENTS
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Termination and Disability

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, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System’s members.

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 2.5% and an adjustment for the effect of rebalancing/ diversification. The resulting expected long-term rate of return was 8.07% for 2018. 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, 2018, 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	27.00%	4.01%
International Equity	19.00%	4.90%
Domestic Fixed Income	13.00%	1.36%
International Fixed Income	5.50%	2.35%
Private Equity	25.50%	8.39%
Other private assets	10.00%	3.57%

Discount Rate: The discount rate used to measure the total pension liability was 7.65%, which was a .05% decrease from the discount rate used as of June 30, 2017. 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 7.65%, 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 (6.65%) or one percentage-point higher (8.65%) than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	<u>6.65%</u>	<u>7.65%</u>	<u>8.65%</u>
Employers Proportionate Share of the Net Pension Liability	\$ <u>78,326,148</u>	\$ <u>59,124,877</u>	\$ <u>42,927,603</u>

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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, 2019, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$237,933 for its participation in TRSL.

Payables to the Pension Plan: The School Board recorded accrued liabilities to TRSL for the year ended June 30, 2018, 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, 2019 is \$1,122,634.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2018 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 or for part-time employees who have ten years of creditable service in the System as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide, monitor or attendant, or any other regular school employee who actually 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 their first employment making them eligible for membership in one of Louisiana's retirement systems occurred on or after July 1, 2010, and on or before June 30, 2015.

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 employee whose employment falls below 4.1 hours per day or 20.1 hours per week and who is not vested will be eligible to receive a refund of 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.

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Retirement: 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 five years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially-reduced benefit.

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to $3 \frac{1}{3}\%$ 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 plus a supplementary allowance of \$2.00 per month for each year of service, limited to 100% of final average compensation. For members who joined the System on or after July 1, 2006 through June 30, 2010, $3 \frac{1}{3}\%$ of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation.

For members who join the System on or after July 1, 2010, $2 \frac{1}{2}\%$ 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.

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 System. 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 disbursements in a manner approved by the board.

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.

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 twenty 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.

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June 30, 2019

Survivor 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.

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, 2019 was 28%. Contributions to the pension plan from the School Board were \$195,083 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2019, the School Board reported a liability of \$1,730,302 for its proportionate share of the System's Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 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, 2018, the School Board's proportion was 0.258974%, which was a decrease of 0.029929% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School Board recognized a pension benefit of \$106,977 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$5,093.

At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 47,748
Changes in assumptions	72,894	-
Net difference between projected and actual earnings on pension plan investments	34,360	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	265,395
Employer contributions subsequent to the measurement date	195,083	-
TOTALS	\$ 302,337	\$ 313,143

Deferred outflows of resources of \$195,083 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

ST. JAMES PARISH SCHOOL BOARD

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June 30, 2019

FYE		Pension
June 30,		Expense
2020	\$	(127,583)
2021		(34,103)
2022		(52,250)
2023		8,047
TOTAL	\$	<u>(205,889)</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, 2018 are as follows:

Louisiana School Employees’ Retirement System

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years, closed period
Investment Rate of Return	7.0625% per annum, net of investment expenses, including inflation
Inflation Rate	2.50% per annum
Mortality Rates	RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Tables RP-2014 Sex Distinct Disabled Tables
Salary Increases	2013-2017 experience study, 3.25%
Cost of Living Adjustments	Not substantively automatic.

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The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values and accrued liabilities do not include provisions for potential future increases not yet authorized by the Board of Trustees, but do include a recognition of the existing balance in the Experience Account together with the present value of future contributions to the Account up to the maximum permissible value of the Account based upon current account limitations.

The total pension liability has been changed to recognize that a portion of future investment gains will be used to fund the System's Experience Account. Since neither the existing funds in the account nor future deposits to the account may be used to pay for existing benefits the liability was added for one future cost of living increase to the system's liabilities. However, since it will take an act of the legislature to pay a cost of living increase from the Experience Account and such an act will be dependent upon a range of economic and political factors, no pattern of future increases can be forecast on a reliable basis. Hence, no liability for payments beyond that of one future COLA is included in the total pension liability.

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, of 2%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 7.76%.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 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		
Core Fixed Income	8.00%	1.68%
High Yield	5.00%	4.13%
Emerging Markets Debt	7.00%	4.42%
Global Fixed Income	10.00%	1.63%
Equity		
US Equity	20.00%	6.15%
Developed Equity	18.00%	7.11%
Emerging Markets Equity	10.00%	9.41%
Global REITs	3.00%	5.77%
Alternatives		
Private Equity	5.00%	10.28%
Hedge Fund of Funds	3.00%	3.94%
Real Estate	5.00%	4.90%

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Real Assets		
Timber	2.00%	5.67%
Oil and Gas	2.00%	10.57%
Infrastructure	2.00%	6.25%
Totals	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.0625%, which was a .0625% decrease from the rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes 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, taking into consideration the recommendation of the System's actuary. Based on these 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 period 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 7.0625%, 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 (6.0625%) or one percentage-point higher (8.0625%) than the current rate:

	1% Decrease <u>6.0625%</u>	Current Rate <u>7.0625%</u>	1% Increase <u>8.0625%</u>
Employers Proportionate Share of the Net Pension Liability	\$ <u>2,375,295</u>	\$ <u>1,730,302</u>	\$ <u>1,178,962</u>

Payables to the Pension Plan: The School Board recorded accrued liabilities to the System for the year ended June 30, 2019, 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, 2019 is \$195,083.

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, 2018. Access to the audit report can be found on the Office of the Louisiana Legislative Auditor's official website: www.lla.state.la.us.

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

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

The Board's aggregate Proportionate Share of the Net Pension Liability is as follows:

ST. JAMES PARISH SCHOOL BOARD
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Employers Proportionate Share of the Net Pension Liability

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
TRSL	\$ 78,326,148	\$ 59,124,877	\$ 42,927,603
LSERS	<u>2,375,295</u>	<u>1,730,302</u>	<u>1,178,962</u>
Aggregate	<u>\$ 80,701,443</u>	<u>\$ 60,855,179</u>	<u>\$ 44,106,565</u>

Deferred Outflows of Resources

<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
\$ <u>12,446,912</u>	\$ <u>302,337</u>	\$ <u>12,749,249</u>

Deferred Inflows of Resources

<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
\$ <u>9,531,908</u>	\$ <u>313,143</u>	\$ <u>9,845,051</u>

Pension Expense/(Pension Benefit)

<u>TRSL</u>	<u>LSERS</u>	<u>Aggregate</u>
\$ <u>3,639,996</u>	\$ <u>(112,070)</u>	\$ <u>3,527,926</u>

H. Risk Management

The 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, 2019, The 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.

During the year ended June 30, 2019, there was no significant reduction in insurance coverage in any of the risk categories mentioned above. Additionally, The Board has had no settlements in excess of insurance coverage during any of the past three fiscal years.

The 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 Board's third-party administrator.

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The plan was established on October 1, 2003 and all financial activity is reported in the General Fund. The 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 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 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 past three fiscal years follows:

	Beginning Liability	Current Claims and Changes in Estimates	Claims Paid	Ending Liability
2019				
Worker's Comp	\$ 67,387	\$ 131,875	\$ 163,445	\$ 35,817
Health Insurance	741,985	5,981,462	6,218,846	504,601
TOTALS	\$ 809,372	\$ 6,113,337	\$ 6,382,291	\$ 540,418
2018				
Worker's Comp	\$ 72,959	\$ 176,903	\$ 182,475	\$ 67,387
Health Insurance	518,712	6,983,474	6,760,201	741,985
TOTALS	\$ 591,671	\$ 7,160,377	\$ 6,942,676	\$ 809,372
2017				
Worker's Comp	\$ 270,732	\$ (67,067)	\$ 130,706	\$ 72,959
Health Insurance	402,650	5,742,992	5,626,930	518,712
TOTALS	\$ 673,382	\$ 5,675,925	\$ 5,757,636	\$ 591,671

I. Commitments

The Board is entered into several different contracts which result in commitments in various phases of The Board's operations. The material contractual obligations outstanding at June 30, 2019 were all construction contracts financed through the General Fund and the Capital Projects Fund. A summary follows:

Project	School	Contract Amount	Paid to Date	Contracts Payable	Contract Balance
New Athletic Facility	St. James High School	3,040,815	3,038,815	2,000	-
Early College Project	Career and Technology Ctr	3,331,414	3,316,414	15,000	-
New High School Facility	St. James High School	23,638,978	23,625,847	-	13,131
Aquatic Center	Parishwide	2,900,258	2,897,415	-	2,842
Baseball / Softball Complex	St. James High School	1,552,726	1,331,820	220,906	-
Baseball / Softball Turf, Lights	St. James High School	797,845	173,613	550,059	74,174
Baseball / Softball Drainage	St. James High School	63,608	-	-	63,608
Storm Damage, Phase 1	St. Louis Academy	432,891	-	84,255	348,636
Storm Damage, Phase 2	St. Louis Academy	1,012,977	-	-	1,012,977
	TOTALS	\$ 36,771,511	\$ 34,383,923	\$ 872,219	\$ 1,515,368

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2019

J. Post-Employment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The St. James Parish School Board (The Board) provides certain continuing health care and life insurance benefits for its retired employees. The Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by The Board. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with The 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*.

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 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	447
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	552
TOTAL	<u>999</u>

Total OPEB Liability

The Board's total OPEB liability of \$78,197,641 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.0%, including inflation
Discount Rate	3.87% annually (beginning of year to determine ADC) 3.50% annually (as of end of year measurement date)
Healthcare Cost Trend Rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

Changes in the Total OPEB Liability

OPEB Balance, July 1, 2018	\$ 71,213,601
Changes for the year:	
Service Cost	1,223,250
Interest	2,700,099
Differences between expected and actual experience	1,431,110
Changes in Assumptions	4,516,804
Benefit payments and net transfers	<u>(2,887,223)</u>
Net Changes	<u>6,984,040</u>
 OPEB Balance, June 30, 2019	 \$ <u>78,197,641</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of The Board, as well as what The Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease <u>2.50%</u>	Current Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Total OPEB Liability	\$ <u>92,351,414</u>	\$ <u>78,197,641</u>	\$ <u>66,858,983</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents The Board's total OPEB liability, as well as what The Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease <u>4.50%</u>	Current Rate <u>5.50%</u>	1% Increase <u>6.50%</u>
Total OPEB Liability	\$ <u>66,624,390</u>	\$ <u>78,197,641</u>	\$ <u>92,742,402</u>

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

For the year ended June 30, 2019, The Board recognized OPEB expense of \$4,130,938. At June 30, 2019, The Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	1,272,098	(943,634)
Changes in assumptions	<u>4,014,937</u>	<u>(2,682,687)</u>
TOTAL	<u>5,287,035</u>	<u>(3,626,321)</u>

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

FYE		
<u>June 30,</u>		
2020	\$	207,589
2021		207,589
2022		207,589
2023		207,589
2024		207,589
Thereafter		622,769

K. 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, 2019 follows:

<u>Taxing Agency</u>		<u>Net Distribution</u>
St. James Parish School Board	\$	25,806,278
St. James Parish Council		8,930,806
Town of Gramercy		908,508
Town of Lutcher		495,670
River Parish Tourist Commission		<u>56,888</u>
DISTRIBUTION TO TAXING BODIES	\$	<u>36,198,150</u>

L. 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.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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, 2019, \$14,105,072 of St. James Parish School Board's ad valorem tax revenues were abated by other governments through CEA and ITEP.

M. Litigation

At June 30, 2019, The Board was a defendant in several different lawsuits. Board management and legal counsel believe that claims against The Board not covered by insurance would not have a material impact on The Board's financial statements. In November 2017 The Board settled a lawsuit brought over an employment issue for \$100,000. The Board paid a \$25,000 deductible on the settlement and The Board's applicable insurer will pay the balance. Other than that settlement, there have been no material judgments against The Board in the last several fiscal years and any such future judgments will be liquidated through General Fund resources.

N. Federal Grants

The 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.

O. Short Term Debt

In July 2018 The Board issued Revenue Anticipation Notes in an amount not to exceed \$12 million to address anticipated General Fund cash flow issues prior to the January 2019 receipt of the major portion of The Board's Ad Valorem Tax Revenue. The Board borrowed \$5,550,001 under the arrangement and liquidated the obligation in January 2019 upon the receipt of the Ad Valorem tax revenue. Interest expense of \$30,223 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, 2019 follows:

	<u>Balance,</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance,</u> <u>June 30, 2019</u>
Short Term Debt	\$ -	\$ 5,550,001	\$ 5,550,001	\$ -

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

The Board executed a similar arrangement on October 8, 2019 with the capacity to borrow up to \$9 million. The cumulative draw to date on the new lending agreement totals \$3 million. As in the prior year, the borrowings will be repaid upon receipt of Ad Valorem Tax revenues in mid-January 2020.

Q. Prior Year Fund Deficit

In July 2018 The Board finalized the pending sale of the old St. James High School to a major industrial concern that is constructing a \$1.8 billion manufacturing facility adjacent to the school site. The original 2015 sale agreement called for the purchaser to pay the \$10.1 million bid price in three installments; due to title issues, the second installment of the payment was delayed for more than a year.

This delay caused the deficit fund balance reported in The Board's Capital Projects Fund as of June 30, 2018. Once the title issues were cleared, the sale was closed and The Board received some \$6.2 million from the purchaser on August 8, 2018, thereby liquidating the fund deficit. There were no operational or construction disruptions due to the delay in payment. The new St. James High School opened its door to some 700 students on August 5, 2018.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

A. Budgetary Comparison Schedule - General Fund

The General Fund is the main operating fund of The 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). Material revisions were made to the General Fund revenue budget to accommodate increases in local tax receipts of some \$4.1 million in Sales and Use Tax and roughly \$1.2 million in Ad Valorem Tax revenue. Of the \$2.9 million budget increases in expenditures, some \$2.6 million were in increased appropriations in the related areas of maintenance and capital outlay.

Expenditures exceeded budget allocations in three Special Revenue Funds. Two were federal grants – ESSA Title I and Carl Perkins Vocational Education – and both overages were absorbed by a funding increase received from the grantor agency. The School Food Service Fund exceeded budgeted allocations by some \$156,000, of which \$145,000 was absorbed by revenues in excess of budgeted figures.

B. Other Post Employment Benefits Plan

The 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 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*.

C. 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 Board during the year ended June 30, 2015.

Changes of benefit terms for the state retirement systems being reported on include:

Teachers Retirement System of Louisiana:

- None

Louisiana School Employees Retirement System:

- None

Changes of assumptions for the state retirement systems being reported on include:

Teachers Retirement System of Louisiana:

- The investment rate of return was 7.65% in 2019, a decrease from 7.70% in 2018.
- The projected salary increase range was 3.3% - 4.8% in 2019, a change from 3.5% - 10% in 2018.

Louisiana School Employees Retirement System:

- The investment rate of return was 7.0625% in 2019, a decrease from 7.1300% in 2018.
- The inflation rate was 2.500% in 2019, a decrease from 2.625% in 2018.
- The projected salary increase range was 3.25% in 2019, a change from 3.075% - 5.375% in 2018.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 1

REQUIRED SUPPLEMENTARY INFORMATION
General Fund Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	BUDGET		ACTUAL (Budgetary Basis)	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes: Ad Valorem	\$ 20,000,000	\$ 21,251,397	\$ 21,303,524	\$ 52,127
Sales and Use	21,600,000	25,756,844	25,806,278	49,434
Interest Earnings	2,000	5,180	5,984	804
Other	1,320,000	1,142,389	1,689,867	547,478
Total Local Sources	42,922,000	48,155,810	48,805,653	649,843
State Sources:				
Minimum Foundation Program	12,200,000	12,098,883	12,001,780	(97,103)
Other	398,655	361,142	507,213	146,071
Total State Sources	12,598,655	12,460,025	12,508,993	48,968
Federal Sources	325,809	377,266	670,095	292,829
TOTAL REVENUES	55,846,464	60,993,101	61,984,741	991,640
EXPENDITURES				
Current:				
Instruction:				
Regular Programs	21,739,196	21,521,285	20,255,511	1,265,774
Special Programs	5,034,887	4,657,544	4,558,486	99,058
Vocational Programs	896,853	821,385	807,957	13,428
All Other Programs	3,294,054	3,412,629	3,418,086	(5,457)
Support Services:				
Pupil Support	3,850,065	4,095,467	4,067,772	27,695
Instructional Staff Support	2,162,573	2,164,223	2,127,215	37,008
General Administration	2,004,135	2,234,379	2,165,902	68,477
School Administration	3,866,599	4,041,347	4,056,893	(15,546)
Business Services	681,034	706,449	704,334	2,115
Plant Services	5,384,864	6,082,540	6,065,731	16,809
Pupil Transportation	3,911,050	4,041,935	4,060,060	(18,125)
Central Services	1,664,619	1,657,713	1,726,337	(68,624)
Community Services	1,000	61,000	120,000	(59,000)
Capital Outlay	-	1,867,018	1,378,134	488,884
Debt Service: Principal	991,080	991,080	991,080	-
Interest	8,919	8,919	8,919	-
TOTAL EXPENDITURES	55,490,928	58,364,913	56,512,417	1,852,496

(Continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 1

REQUIRED SUPPLEMENTARY INFORMATION
General Fund Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	BUDGET		ACTUAL (Budgetary Basis)	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 355,536	\$ 2,628,188	\$ 5,472,324	\$ 2,844,136
OTHER FINANCING SOURCE (Uses):				
Insurance Proceeds	-	60,471	108,206	47,735
Interfund Transfers In	251,291	251,291	265,163	13,872
Interfund Transfers Out	(600,000)	(600,000)	(445,823)	154,177
TOTAL OTHER FINANCING SOURCES / (Uses)	(348,709)	(288,238)	(72,454)	215,784
NET CHANGES IN FUND BALANCES	6,827	2,339,950	5,399,870	3,059,920
FUND BALANCE, July 1, 2018	2,342,730	3,005,007	3,005,007	-
FUND BALANCE, June 30, 2019	\$ 2,349,557	\$ 5,344,957	\$ 8,404,877	\$ 3,059,920

Concluded

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 2

REQUIRED SUPPLEMENTARY INFORMATION

Other Post Employment Benefits Plan - Retiree Health and Life Insurance Programs
 Total Other Post Employment Benefits Liability
 As of and for the Years Ended June 30, 2019 and June 30, 2018

	<u>2019</u>	<u>2018</u>
Other Post Employment Benefits Liability, Beginning of Year	\$ <u>71,213,601</u>	\$ <u>74,498,695</u>
Changes for the Years Ended June 30, 2019 and June 30, 2018:		
Service Cost	1,223,250	1,366,445
Interest	2,700,099	2,618,066
Difference Between Expected and Actual Experience	1,431,110	(1,179,542)
Changes in Assumptions	4,516,804	(3,353,359)
Benefit Payments and Net Transfers	<u>(2,887,223)</u>	<u>(2,736,704)</u>
Net Changes	<u>6,984,040</u>	<u>(3,285,094)</u>
Other Post Employment Benefits Liability, End of Year	\$ <u><u>78,197,641</u></u>	\$ <u><u>71,213,601</u></u>
Covered Payroll	\$ 27,611,921	\$ 26,818,378
Net OPEB Liability as a Percentage of Covered Payroll	283.2 %	264.55%

* Notes to this Schedule are included on page 52, Notes to Required Supplementary Information.

** This schedule is intended to present 10 years of information. Additional years reported as they become available.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 3

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended June 30, 2019

<u>Year ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>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%
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%

* This schedule is intended to present 10 years of information. Additional years reported as they become available.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 4

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Employer Contributions to State Retirement Systems
For the Year Ended June 30, 2019

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as % of Covered Payroll</u>
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%
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%

* This schedule is intended to present 10 years of information. Additional years reported as they become available.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

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

EVERY STUDENT SUCCEEDS ACT (ESSA)

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

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

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

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

Head Start – A program administered through the United States Department of Health and Human Services, Head Start provides funding for comprehensive early childhood education, health, nutrition, and parental involvement services to low-income children and their families.

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

Capital Projects Fund - This fund accounts for construction activity funded by the Series 2015 and Series 2016 General Obligation Bonds. Additionally, it included the \$10.1 million proceeds from the sale of the old St. James High School. This fund was monetarily exhausted during fiscal year 2019.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

As of June 30, 2019

	SPECIAL REVENUE FUNDS			
	ESSA		IDEA	VOCATIONAL EDUCATION
	TITLE I	TITLES II, III, IV		
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	550,326	186,396	655,738	40,303
Inventory	-	-	-	-
TOTAL ASSETS	\$ 550,326	\$ 186,396	\$ 655,738	\$ 40,303
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, Salaries, Other Payables	\$ 18,591	\$ 25,232	\$ 27,727	\$ -
Interfund Payables	531,735	161,164	628,011	40,303
Total Liabilities	550,326	186,396	655,738	40,303
Fund Balances:				
Nonspendable	-	-	-	-
Total Fund Balances	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 550,326	\$ 186,396	\$ 655,738	\$ 40,303

(Continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 5

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

As of June 30, 2019

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>HEAD</u>	<u>SCHOOL</u>		
	<u>START</u>	<u>FOOD</u>	<u>CAPITAL</u>	<u>TOTAL</u>
		<u>SERVICE</u>	<u>PROJECTS</u>	
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 37,206	\$ 298,935	\$ 336,141
Receivables	417,742	34,325	-	1,884,830
Inventory	-	68,265	-	68,265
TOTAL ASSETS	\$ 417,742	\$ 139,796	\$ 298,935	\$ 2,289,236
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts,Salaries,Other Paybles	\$ 52,170	\$ 71,531	\$ 298,935	\$ 494,186
Interfund Payables	365,572	-	-	1,726,785
Total Liabilities	417,742	71,531	298,935	2,220,971
Fund Balances:				
Nonspendable	-	68,265	-	68,265
Total Fund Balances	-	68,265	-	68,265
TOTAL LIABILITIES				
AND FUND BALANCES	\$ 417,742	\$ 139,796	\$ 298,935	\$ 2,289,236

Concluded

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, 2019

	SPECIAL REVENUE FUNDS			
	ESSA		IDEA	VOCATIONAL EDUCATION
	TITLE I	TITLES II, III, IV		
REVENUES				
Local Sources:				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Federal Sources: Grants	1,123,948	252,356	1,078,057	46,159
TOTAL REVENUES	\$ 1,123,948	252,356	1,078,057	46,159
EXPENDITURES				
Current:				
Instruction:				
Special Instruction	-	-	441,092	-
Vocational Programs	-	-	-	46,159
All Other Programs	270,026	85,949	-	-
Support Services:				
Pupil Support	-	-	498,630	-
Instructional Staff Support	772,690	148,767	70,150	-
Pupil Transportation	4,318	-	-	-
Food Services	-	-	-	-
Community Services	2,670	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	1,049,704	234,716	1,009,872	46,159
EXCESS (DEFICIENCY) OF REVENUES OVER EXPNDTRES	74,244	17,640	68,185	-
OTHER FINANCING SOURCES/(USES):				
Sale of Fixed Assets	-	-	-	-
Interfund Transfers In	-	-	-	-
Interfund Transfers Out	(74,244)	(17,640)	(68,185)	-
TOTAL OTHER FINANCING SOURCES / (USES)	(74,244)	(17,640)	(68,185)	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -

(Continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 6

NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	<u>SPECIAL REVENUE FUNDS</u>			<u>TOTAL</u>
	<u>HEAD</u>	<u>SCHOOL</u>	<u>CAPITAL</u>	
	<u>START</u>	<u>FOOD SERVICE</u>	<u>PROJECTS</u>	
REVENUES				
Local Sources:				
Charges for Services/Other	\$ -	\$ 54,281	\$ -	\$ 54,281
Other	-	-	22,089	22,089
Federal Sources: Grants	1,485,914	2,728,490	-	6,714,924
TOTAL REVENUES	\$ 1,485,914	\$ 2,782,771	\$ 22,089	\$ 6,791,294
EXPENDITURES				
Current:				
Instruction:				
Special Programs	-	-	-	441,092
Vocational Programs	-	-	-	46,159
All Other Programs	1,280,149	-	-	1,636,124
Support Services:				
Pupil Support	48,569	-	-	547,199
Instructional Staff Support	51,216	-	-	1,042,823
Pupil Transportation	886	-	-	5,204
Food Services	-	3,231,213	-	3,231,213
Community Services	-	-	-	2,670
Capital Outlay	-	-	7,531,496	7,531,496
TOTAL EXPENDITURES	1,380,820	3,231,213	7,531,496	14,483,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPNDTRES	105,094	(448,442)	(7,509,407)	(7,692,686)
OTHER FINANCING SOURCES/(USES):				
Sale of Fixed Assets	-	-	10,100,000	10,100,000
Interfund Transfers In	-	445,823	-	445,823
Interfund Transfers Out	(105,094)	-	-	(265,163)
TOTAL OTHER FINANCING SOURCES / (USES)	(105,094)	445,823	10,100,000	10,280,660
NET CHANGES IN FUND BALANCES	-	(2,619)	2,590,593	2,587,974
FUND BALANCE - BEGINNING	-	70,884	(2,590,593)	(2,519,709)
FUND BALANCE - ENDING	\$ -	\$ 68,265	\$ -	\$ 68,265

Concluded

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 7

NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)
For the Year Ended June 30, 2019

ESSA TITLE I

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES</u>			
Federal Sources: Grants	\$ 1,108,886	\$ 1,123,948	\$ 15,062
 <u>EXPENDITURES</u>			
Current:			
Instruction:			
All Other Programs	265,190	270,026	(4,836)
Support Services:			
Instructional Staff Support	758,850	772,690	(13,840)
Pupil Transportation	4,241	4,318	(77)
Community Services	2,622	2,670	(48)
TOTAL EXPENDITURES	<u>1,030,903</u>	<u>1,049,704</u>	<u>(18,801)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>77,983</u>	 <u>74,244</u>	 <u>(3,739)</u>
 OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	<u>(77,983)</u>	<u>(74,244)</u>	<u>3,739</u>
 TOTAL OTHER FINANCING SOURCES / (Uses)	 <u>(77,983)</u>	 <u>(74,244)</u>	 <u>3,739</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 8

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)
For the Year Ended June 30, 2019

ESSA TITLES II, III, IV

	FINAL BUDGET	ACTUAL	VARIANCE
<u>REVENUES</u>			
Federal Sources: Grants	\$ 324,765	\$ 252,356	\$ (72,409)
<u>EXPENDITURES</u>			
Current:			
Instruction:			
All Other Programs	110,589	85,949	24,640
Support Services:			
Instructional Staff Support	191,416	148,767	42,649
TOTAL EXPENDITURES	302,005	234,716	67,289
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	22,760	17,640	(5,120)
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	(22,760)	(17,640)	5,120
TOTAL OTHER FINANCING SOURCES / (Uses)	(22,760)	(17,640)	5,120
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 9

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)
For the Year Ended June 30, 2019

	IDEA		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES</u>			
Federal Sources: Grants	<u>1,340,102</u>	<u>1,078,057</u>	<u>(262,045)</u>
TOTAL REVENUES	<u>1,340,102</u>	<u>1,078,057</u>	<u>(262,045)</u>
<u>EXPENDITURES</u>			
Current:			
Instruction:			
Regular Instruction	-	-	-
Special Instruction	547,793	441,092	106,701
Support Services:			
Pupil Support	619,250	498,630	120,620
Instructional Staff Support	87,119	70,150	16,969
School Administration	-	-	-
Pupil Transportation	-	-	-
TOTAL EXPENDITURES	<u>1,254,162</u>	<u>1,009,872</u>	<u>244,290</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>85,940</u>	<u>68,185</u>	<u>(17,755)</u>
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	<u>(85,940)</u>	<u>(68,185)</u>	<u>17,755</u>
TOTAL OTHER FINANCING SOURCES / (Uses)	<u>(85,940)</u>	<u>(68,185)</u>	<u>17,755</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 10

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)
For the Year Ended June 30, 2019

VOCATIONAL EDUCATION

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Federal Sources: Grants	\$ 39,106	\$ 46,159	\$ 7,053
EXPENDITURES			
Current:			
Instruction:			
Vocational Programs	<u>39,106</u>	<u>46,159</u>	<u>(7,053)</u>
TOTAL EXPENDITURES	<u>39,106</u>	<u>46,159</u>	<u>(7,053)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 11

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)
For the Year Ended June 30, 2019

HEAD START

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Federal Sources: Grants	\$ 1,485,914	\$ 1,485,914	\$ -
 EXPENDITURES			
Current:			
Instruction:			
All Other Programs	1,278,454	1,280,149	(1,695)
Support Services:			
Pupil Support	48,569	48,569	-
Instructional Staff Support	51,216	51,216	-
Pupil Transportation	886	886	-
	<u>1,379,125</u>	<u>1,380,820</u>	<u>(1,695)</u>
TOTAL EXPENDITURES			
	<u>1,379,125</u>	<u>1,380,820</u>	<u>(1,695)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>106,789</u>	<u>105,094</u>	<u>1,695</u>
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers Out	<u>(106,789)</u>	<u>(105,094)</u>	<u>(1,695)</u>
TOTAL OTHER FINANCING SOURCES / (Uses)	<u>(106,789)</u>	<u>(105,094)</u>	<u>(1,695)</u>
NET CHANGE IN FUND BALANCE	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 12

NONMAJOR SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Final Budget (Modified Accrual Basis) and Actual (Modified Accrual Basis)
For the Year Ended June 30, 2019

SCHOOL FOOD SERVICE

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Local Sources:			
Charges for Services	\$ 54,759	\$ 54,281	\$ (478)
Federal Sources:			
Federal Grants	<u>2,582,729</u>	<u>2,728,490</u>	<u>145,761</u>
TOTAL REVENUES	<u>2,637,488</u>	<u>2,782,771</u>	<u>145,283</u>
EXPENDITURES			
Current:			
Support Services:			
Food Services	<u>3,074,684</u>	<u>3,231,213</u>	<u>(156,529)</u>
TOTAL EXPENDITURES	<u>3,074,684</u>	<u>3,231,213</u>	<u>(156,529)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(437,196)</u>	<u>(448,442)</u>	<u>(11,246)</u>
OTHER FINANCING SOURCE (Uses):			
Interfund Transfers In	<u>437,196</u>	<u>445,823</u>	<u>8,627</u>
TOTAL OTHER FINANCING SOURCES / (Uses)	<u>437,196</u>	<u>445,823</u>	<u>8,627</u>
NET CHANGE IN FUND BALANCE	\$ <u>-</u>	\$ <u>(2,619)</u>	\$ <u>(2,619)</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Statement H

AGENCY FUND
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2019

	Cash and Cash Equivalents and Deposits Due Others <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Cash and Cash Equivalents and Deposits Due Others <u>June 30, 2019</u>
Sales and Use Tax Department	\$ 2,702,166	\$ 36,108,328	\$ 36,198,150	\$ 2,612,344
 <u>School Activity Funds</u>				
St. Lois Academy	15,350	20,108	20,161	15,297
Gramercy Elementary School	119,312	59,891	51,120	128,083
Cypress Grove Montessori	5,536	45,762	39,070	12,228
Lutcher High School	430,843	627,329	683,776	374,396
Career and Technology Center	41,968	71,993	68,493	45,468
Paulina Elementary	71,052	141,386	130,149	82,289
St. James High School	164,405	435,876	471,601	128,680
Sixth Ward Elementary School	14,708	79,188	73,459	20,437
Vacherie Elementary School	38,350	49,951	50,961	37,340
Science and Math Academy	14,488	42,370	42,947	13,911
Virtual Academy	1,735	500	30	2,205
Subtotal School Activity Funds	<u>917,747</u>	<u>1,574,354</u>	<u>1,631,767</u>	<u>860,334</u>
 TOTAL	 <u>\$ 3,619,913</u>	 <u>\$ 37,682,682</u>	 <u>\$ 37,829,917</u>	 <u>\$ 3,472,678</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 14

Schedule of Compensation Paid Board Members For the Year Ended June 30, 2019

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 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	2	9,600
Sue Beier	3	9,600
George N. Nassar, Jr., Board President	4	10,800
Dianne Spencer, Board Vice President	5	9,600
Nicole Florent Charles	6	9,600
Raymond Gros	7	9,600
		<hr/>
	TOTAL	\$ <u>68,400</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

Schedule 15

Schedule of Compensation, Benefits, and Other Payments to Superintendent
For the Year Ended June 30, 2019

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	50,700
Medicare Tax on Base Compensation	2,812
Board Contributed Medical Insurance	7,003
Employee Benefits	<u>60,515</u>
TOTAL \$	<u>255,515</u>



ST. JAMES
PARISH
SCHOOLS

Inspiring Hope and Purpose

STATISTICAL SECTION

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

STATISTICAL SCHEDULE DESCRIPTIONS

The Statistical Section of the Comprehensive Annual Financial Reports presents detailed information designed to aid and supplement the readers' understanding of the financial statements, the Notes to Basic Financial Statements, and the required supplementary information presented herein.

FINANCIAL TRENDS – To aid the reader in determining financial position and changes in such over time.

Net Position by Component – Last Ten Fiscal Years

Changes in Net Position – Last Ten Fiscal Years

Fund Balances of Governmental Funds – Last Ten Fiscal Years

Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years

REVENUE CAPACITY – To provide the reader an understanding of revenue-generating ability and limits.

Assessed Valuation of Taxable Property – Last Ten Fiscal Years

Principal Taxpayers – As of June 30, 2019 and June 30, 2010

Ad Valorem Tax Rates and Tax Levies – Direct and Overlapping Governments – Last Ten Fiscal Years

Ad Valorem Tax Levies and Collections – Last Ten Fiscal Years

Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years

DEBT CAPACITY – To aid the reader in determining outstanding debt and the ability to issue future debt.

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years

Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years

Direct and Overlapping Governmental Activities Debt – As of June 30, 2019

Legal Debt Margin Information – Last Ten Fiscal Years

DEMOGRAPHIC AND ECONOMIC INFORMATION – To aid the reader in understanding the environment in which The Board's financial activity takes place.

Demographic and Economic Statistics – Last Ten Fiscal Years

Principal Employers – As of June 30, 2019 and June 30, 2010

OPERATING INFORMATION – This schedule contains general profile information about The Board.

Miscellaneous Statistical Data – As of June 30, 2019

Informational Profile of School Facilities – As of June 30, 2019

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

NET POSITION BY COMPONENT

For the Last Ten Fiscal Years
(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 38,503,017	\$ 34,759,039	\$ 31,922,330	\$ 28,682,923
Restricted	5,967,887	6,936,092	8,239,984	10,096,601
Unrestricted	<u>(130,543,343)</u>	<u>(141,849,665)</u>	<u>(142,111,266)</u>	<u>(74,565,790)</u>
Total Government Activities Net Position	\$ <u>(86,072,439)</u>	\$ <u>(100,154,534)</u>	\$ <u>(101,948,952)</u>	\$ <u>(35,786,266)</u>

Unrestricted component of Net Position has been restated for 2017 to accommodate 2018 implementation of GASB 75.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 32,879,737	\$ 24,870,979	\$ 18,087,295	\$ 20,071,745	\$ 16,425,494	\$ 11,317,460
7,187,270	5,005,298	3,998,859	3,224,948	2,633,175	2,620,110
<u>(75,103,066)</u>	<u>(56,585,944)</u>	<u>21,944,820</u>	<u>14,614,109</u>	<u>14,795,280</u>	<u>11,909,983</u>
<u>\$ (35,036,059)</u>	<u>\$ (26,709,667)</u>	<u>\$ 44,030,974</u>	<u>\$ 37,910,802</u>	<u>\$ 33,853,949</u>	<u>\$ 25,847,553</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

CHANGES IN NET POSITION

For the Last Ten Fiscal Years (Unaudited)

	<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>
<u>EXPENSES</u>							
Governmental Activities							
Instruction:							
Regular Programs	\$ 19,024,383		\$ 19,773,011		\$ 23,624,104		\$ 20,674,119
Special Programs	4,801,565		5,006,026		5,249,480		5,110,522
Vocational Programs	723,187		901,024		1,223,251		1,071,302
All Other Programs	4,749,366		4,688,817		5,053,201		4,743,008
Support Services:							
Pupil Support	4,370,105		4,085,603		4,591,254		4,169,465
Instructional Staff Support	3,122,141		3,149,047		3,380,867		3,103,791
General Administration	5,724,025		5,165,769		5,022,066		6,248,217
School Administration	3,926,636		3,739,052		4,510,222		3,994,424
Business Services	693,817		656,266		706,724		676,080
Plant Services	6,252,169		5,909,598		6,233,568		6,333,888
Pupil Transportation	4,291,319		4,077,084		4,509,780		4,347,238
Central Services	1,682,312		1,789,717		1,868,417		1,847,901
Food Services	3,420,300		2,936,854		3,679,691		3,482,555
Community Services	122,669		6,746		51,944		14,538
Interest on Long-Term Debt	2,349,874		2,502,731		2,590,442		1,667,006
Other	-		-		-		-
Total Governmental Activities Expenses	<u>65,253,868</u>		<u>64,387,345</u>		<u>72,295,011</u>		<u>67,484,054</u>
Total Primary Government Expenses	\$ <u>65,253,868</u>		\$ <u>64,387,345</u>		\$ <u>72,295,011</u>		\$ <u>67,484,054</u>

PROGRAM REVENUES

Governmental Activities							
Charges for Services:							
Food Service	\$ 54,281		\$ 70,709		\$ 122,352		\$ 227,591
Operating Grants and Contributions:							
Regular Programs	45,445		90,764		11,296		483,310
Special Programs	472,522		437,998		419,451		470,710
Vocational Programs	146,552		122,500		28,311		41,819
All Other Programs	2,621,771		2,158,911		2,169,221		2,424,938
Pupil Support	586,190		620,394		466,431		544,287
Instructional Staff Support	1,183,720		1,153,073		1,167,486		1,081,935
General Administration	-		-		-		-
School Administration	-		4,339		5,851		4,042
Business Services	-		-		-		-
Plant Services	-		-		-		94,821
Pupil Transportation	5,575		12,439		12,263		39,932
Central and Community Services	2,861		7,167		1,495		6,873
Food Services	2,728,490		2,627,714		2,644,258		2,483,841
Total Governmental Activities Program Revenues	<u>7,847,407</u>		<u>7,306,008</u>		<u>7,048,414</u>		<u>7,904,098</u>
Total Primary Government Program Revenues	\$ <u>7,847,407</u>		\$ <u>7,306,008</u>		\$ <u>7,048,414</u>		\$ <u>7,904,098</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	2015	2014	2013	2012	2011	2010
\$	22,586,739	\$ 22,409,259	\$ 21,449,795	\$ 19,465,339	\$ 18,093,085	\$ 19,125,181
	5,098,688	5,279,555	5,622,285	4,910,172	5,841,415	5,538,165
	1,122,109	1,158,810	1,314,270	1,218,666	1,244,207	1,322,893
	4,012,666	4,301,827	4,410,822	4,400,891	4,007,398	4,450,708
	4,128,707	3,794,862	3,660,647	3,456,214	2,676,882	2,689,367
	3,377,982	3,127,851	2,436,490	2,622,820	2,933,677	3,066,514
	2,401,984	4,240,917	3,374,081	3,508,237	3,054,578	2,820,654
	4,123,362	3,931,028	3,794,763	3,397,225	2,968,158	3,064,307
	730,210	803,997	519,731	534,807	742,262	594,875
	8,557,108	6,614,725	6,034,998	5,538,962	4,712,735	5,233,964
	4,097,605	3,839,056	5,003,798	3,287,924	2,978,547	2,770,756
	1,772,640	1,762,327	1,727,694	1,318,693	1,144,663	914,120
	3,292,348	3,147,249	3,290,386	3,030,426	2,866,545	2,908,659
	17,440	12,586	8,253	13,929	3,534	15,866
	1,120,137	891,509	763,308	656,739	822,660	1,050,983
	-	-	-	64,000	-	-
	<u>66,439,725</u>	<u>65,315,558</u>	<u>63,411,321</u>	<u>57,425,044</u>	<u>54,090,346</u>	<u>55,567,012</u>
\$	<u>66,439,725</u>	\$ <u>65,315,558</u>	\$ <u>63,411,321</u>	\$ <u>57,425,044</u>	\$ <u>54,090,346</u>	\$ <u>55,567,012</u>
\$	394,780	\$ 362,650	\$ 379,833	\$ 354,847	\$ 452,333	\$ 361,724
	578,249	624,548	494,091	497,524	980,747	1,092,257
	511,529	645,966	670,797	638,059	1,090,703	1,090,171
	52,332	57,116	66,447	73,097	97,052	61,665
	1,386,452	1,310,150	1,280,108	1,874,534	2,097,053	2,166,643
	560,419	557,987	455,315	930,600	1,053,157	1,113,895
	1,162,167	865,573	445,727	344,586	715,903	750,780
	1,879	672,417	8,850	-	94,419	13,698
	3,052	14,615	38,665	-	34,871	40,439
	539	2,994	9,334	-	95,754	10,315
	67,030	24,267	20,784	26,421	26,675	391,603
	59,095	126,168	39,809	13,677	105,319	107,689
	10,645	10,435	17,180	9,498	158,935	48,574
	<u>2,239,388</u>	<u>2,278,383</u>	<u>1,913,195</u>	<u>1,981,872</u>	<u>1,921,564</u>	<u>1,812,953</u>
	<u>7,027,556</u>	<u>7,553,269</u>	<u>5,840,135</u>	<u>6,744,715</u>	<u>8,924,485</u>	<u>9,062,406</u>
\$	<u>7,027,556</u>	\$ <u>7,553,269</u>	\$ <u>5,840,135</u>	\$ <u>6,744,715</u>	\$ <u>8,924,485</u>	\$ <u>9,062,406</u>

(Continued)

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

CHANGES IN NET POSITION
For the Last Ten Fiscal Years (Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue Governmental Activities	<u>(57,406,461)</u>	<u>(57,081,337)</u>	<u>(65,246,597)</u>	<u>(59,579,956)</u>
Total Primary Government Net Expense	\$ <u>(57,406,461)</u>	\$ <u>(57,081,337)</u>	\$ <u>(65,246,597)</u>	\$ <u>(59,579,956)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes, Levied for General Purpose	\$ 21,303,524	\$ 20,042,958	\$ 18,392,216	\$ 19,660,286
Property Taxes, Levied for Debt Service	6,011,541	5,645,501	5,285,363	5,668,576
Sales and Use Taxes, Levied for General Purposes	25,806,278	19,645,026	18,127,949	17,978,856
Grants and Contributions Not Restricted for Specific Purposes:				
Minimum Foundation Program	12,001,780	11,626,371	12,754,266	12,139,957
State Revenue Sharing	82,922	82,923	83,012	81,442
Interest and Investment Earnings	18,264	206,066	223,903	57,090
Miscellaneous	1,728,139	1,626,910	1,781,268	3,243,542
Gain on Disposition of Fixed Assets	4,536,108	-	-	-
Total Governmental Activities	<u>71,488,556</u>	<u>58,875,755</u>	<u>56,647,977</u>	<u>58,829,749</u>
Total Primary Government	\$ <u>71,488,556</u>	\$ <u>58,875,755</u>	\$ <u>56,647,977</u>	\$ <u>58,829,749</u>
Changes in Net Position:				
Governmental Activities	\$ <u>14,082,095</u>	\$ <u>1,794,418</u>	\$ <u>(8,598,620)</u>	\$ <u>(750,207)</u>
Total Primary Government	\$ <u>14,082,095</u>	\$ <u>1,794,418</u>	\$ <u>(8,598,620)</u>	\$ <u>(750,207)</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>
	<u>(59,412,169)</u>		<u>(57,762,289)</u>		<u>(57,571,186)</u>		<u>(50,680,329)</u>		<u>(45,165,861)</u>		<u>(46,504,606)</u>
\$	<u><u>(59,412,169)</u></u>	\$	<u><u>(57,762,289)</u></u>	\$	<u><u>(57,571,186)</u></u>	\$	<u><u>(50,680,329)</u></u>	\$	<u><u>(45,165,861)</u></u>	\$	<u><u>(46,504,606)</u></u>
\$	18,812,239	\$	18,132,433	\$	16,996,165	\$	14,451,440	\$	13,339,207	\$	13,712,792
	5,440,163		5,350,207		4,893,828		4,102,246		3,776,935		3,878,920
	16,180,635		18,675,671		25,285,692		18,100,976		18,744,037		12,736,822
	12,521,212		13,396,100		14,853,082		15,797,140		16,558,637		16,938,681
	85,851		87,352		87,351		89,424		87,473		88,335
	22,924		24,198		40,306		25,467		31,814		39,803
	1,338,551		946,152		1,534,934		2,170,489		634,154		3,059,094
	<u>54,401,575</u>		<u>56,612,113</u>		<u>63,691,358</u>		<u>54,737,182</u>		<u>53,172,257</u>		<u>50,454,447</u>
\$	<u><u>54,401,575</u></u>	\$	<u><u>56,612,113</u></u>	\$	<u><u>63,691,358</u></u>	\$	<u><u>54,737,182</u></u>	\$	<u><u>53,172,257</u></u>	\$	<u><u>50,454,447</u></u>
\$	<u>(5,010,594)</u>	\$	<u>(1,150,176)</u>	\$	<u>6,120,172</u>	\$	<u>4,056,853</u>	\$	<u>8,006,396</u>	\$	<u>3,949,841</u>
\$	<u><u>(5,010,594)</u></u>	\$	<u><u>(1,150,176)</u></u>	\$	<u><u>6,120,172</u></u>	\$	<u><u>4,056,853</u></u>	\$	<u><u>8,006,396</u></u>	\$	<u><u>3,949,841</u></u>

Concluded

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

FUND BALANCES OF GOVERNMENTAL FUNDS

For the Last Ten Fiscal Years

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 62,077	\$ 171,351	\$ 262,131	\$ 339,468
Restricted	-	-	-	-
Committed	1,523,428	1,410,395	2,168,835	5,637,657
Unassigned	<u>6,819,372</u>	<u>1,423,261</u>	<u>2,995,887</u>	<u>4,360,577</u>
Total General Fund	<u>\$ 8,404,877</u>	<u>\$ 3,005,007</u>	<u>\$ 5,426,853</u>	<u>\$ 10,337,702</u>
All Other Governmental Funds:				
Nonspendable	<u>68,265</u>	<u>70,884</u>	<u>102,019</u>	<u>71,665</u>
Restricted, Reported in:				
Debt Service Funds	\$ 5,967,887	\$ 6,936,092	\$ 8,239,984	\$ 10,096,601
Capital Projects Funds	-	<u>(2,590,593)</u>	<u>21,569,790</u>	<u>41,667,577</u>
Total Restricted	<u>5,967,887</u>	<u>4,345,499</u>	<u>29,809,774</u>	<u>51,764,178</u>
Total All Other Governmental Funds	<u>\$ 6,036,152</u>	<u>\$ 4,416,383</u>	<u>\$ 29,911,793</u>	<u>\$ 51,835,843</u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	241,920	\$ 292,740	\$ 81,931	\$ 84,058	\$ 42,907	\$ -
	1,947,163	6,124,193	7,766,289	6,239,272	7,787,248	6,652,311
	5,519,168	5,071,356	5,393,830	4,765,501	3,968,459	2,552,486
	<u>2,477,285</u>	<u>11,555,010</u>	<u>16,926,091</u>	<u>11,381,122</u>	<u>10,093,011</u>	<u>6,471,933</u>
\$	<u>10,185,536</u>	<u>23,043,299</u>	<u>30,168,141</u>	<u>22,469,953</u>	<u>21,891,625</u>	<u>15,676,730</u>
	<u>53,267</u>	<u>57,064</u>	<u>40,222</u>	<u>37,007</u>	<u>34,504</u>	<u>-</u>
\$	7,187,270	\$ 5,005,298	\$ 3,998,859	\$ 3,224,948	\$ 2,633,175	\$ 2,620,110
	-	477,779	5,772,125	1,443,449	9,076,181	7,159,201
	<u>7,187,270</u>	<u>5,483,077</u>	<u>9,770,984</u>	<u>4,668,397</u>	<u>11,709,356</u>	<u>9,779,311</u>
\$	<u>7,240,537</u>	<u>5,540,141</u>	<u>9,811,206</u>	<u>4,705,404</u>	<u>11,743,860</u>	<u>9,779,311</u>

Concluded

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For the Last Ten Fiscal Years (Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>				
Ad Valorem Taxes	\$ 27,315,065	\$ 25,688,459	\$ 23,677,579	\$ 25,328,862
Sales and Use Taxes	25,806,278	19,645,026	18,127,949	17,978,856
Charges for Services	54,281	70,709	122,352	227,591
Interest Earnings	18,264	206,066	223,903	57,090
Other Local	1,711,956	1,692,884	1,747,746	3,157,242
Minimum Foundation Program	12,001,780	11,626,371	12,754,266	12,139,957
Other State	507,213	399,794	435,101	407,719
Federal Grants	7,385,019	6,852,455	6,607,498	7,426,530
Total Revenues	<u>74,799,856</u>	<u>66,181,764</u>	<u>63,696,394</u>	<u>66,733,847</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	31,163,415	32,218,528	31,745,773	31,715,919
Support Services	30,118,194	29,607,379	29,513,176	30,642,285
Capital Outlay	8,909,630	24,478,364	20,314,282	11,568,717
Debt Service:				
Principal	5,372,350	5,215,902	6,387,839	4,606,348
Interest	2,424,834	2,578,847	2,570,223	1,191,698
Total Expenditures	<u>77,988,423</u>	<u>94,099,020</u>	<u>90,531,293</u>	<u>79,724,967</u>
Excess Revenues / (Expenditures)	(3,188,567)	(27,917,256)	(26,834,899)	(12,991,120)
<u>OTHER FINANCING SOURCES / (USES):</u>				
Debt Issuance	-	-	-	56,000,000
Premium on Bonds Issued	-	-	-	1,738,592
Capital Lease Proceeds	-	-	-	-
Debt Issuance - Refunding	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Insurance Proceeds	108,206	-	-	-
Sale of Fixed Assets	10,100,000	-	-	-
Interfund Transfers In	710,986	656,096	775,118	3,667,442
Interfund Transfers Out	(710,986)	(656,096)	(775,118)	(3,667,442)
Total Other Financing Sources / (Uses)	<u>10,208,206</u>	<u>-</u>	<u>-</u>	<u>57,738,592</u>
NET CHANGES IN FUND BALANCES	\$ <u>7,019,639</u>	\$ <u>(27,917,256)</u>	\$ <u>(26,834,899)</u>	\$ <u>44,747,472</u>
Debt Service as a Percentage of Noncapital Expenditures	10.00%	8.28%	9.89%	7.27%

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	24,252,402	\$ 23,482,640	\$ 21,889,993	\$ 18,553,686	\$ 17,116,142	\$ 17,591,712
	16,180,635	18,675,671	25,285,692	18,100,976	18,744,037	12,736,822
	394,780	362,650	379,833	354,847	452,333	361,724
	22,924	24,198	40,306	25,467	31,814	39,803
	1,287,413	1,247,322	1,614,873	762,897	992,972	1,015,425
	12,521,212	13,396,100	14,853,082	15,797,140	16,558,637	16,938,681
	777,218	593,660	442,624	994,744	1,143,499	2,158,938
	5,992,547	6,383,141	5,235,933	6,284,695	7,085,283	7,332,975
	<u>61,429,131</u>	<u>64,165,382</u>	<u>69,742,336</u>	<u>60,874,452</u>	<u>62,124,717</u>	<u>58,176,080</u>
	30,876,098	32,099,687	29,931,162	28,866,332	27,748,586	28,835,560
	29,787,168	28,460,244	26,514,993	24,439,401	22,404,778	22,055,314
	7,769,936	13,491,274	9,836,162	11,200,036	6,394,304	4,075,430
	3,020,548	4,580,228	3,310,313	2,716,060	2,887,727	2,747,727
	1,025,137	1,076,791	1,077,745	944,224	1,041,688	1,164,097
	<u>72,478,887</u>	<u>79,708,224</u>	<u>70,670,375</u>	<u>68,166,053</u>	<u>60,477,083</u>	<u>58,878,128</u>
	(11,049,756)	(15,542,842)	(928,039)	(7,291,601)	1,647,634	(702,048)
	-	-	13,500,000	-	6,500,000	-
	-	-	232,029	-	-	-
	-	4,146,935	-	-	-	-
	10,910,000	-	-	-	-	-
	(11,017,611)	-	-	-	-	-
	-	-	-	831,473	31,810	1,453,887
	-	-	-	-	-	-
	851,366	2,058,808	2,058,808	2,404,276	2,169,232	975,231
	(851,366)	(2,058,808)	(2,058,808)	(2,404,276)	(2,169,232)	(975,231)
	<u>(107,611)</u>	<u>4,146,935</u>	<u>13,732,029</u>	<u>831,473</u>	<u>6,531,810</u>	<u>1,453,887</u>
\$	<u>(11,157,367)</u>	<u>(11,395,907)</u>	<u>12,803,990</u>	<u>(6,460,128)</u>	<u>8,179,444</u>	<u>751,839</u>
	5.58%	7.10%	6.21%	5.37%	6.50%	6.64%

Concluded

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

ASSESSED VALUATION OF TAXABLE PROPERTY

For the Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Total Assessed Value	Amount of Homestead Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2019	\$ 641,605,867	\$ 41,299,337	\$ 600,306,530	44.30	\$ 5,457,332,091	11%
2018	835,293,888	279,920,448	555,373,440	44.30	5,048,849,455	11%
2017	557,539,110	40,704,290	516,834,820	43.56	4,698,498,364	11%
2016	617,169,587	39,385,919	577,783,668	43.67	5,252,578,800	11%
2015	584,035,788	39,268,684	544,767,104	43.67	4,952,428,218	11%
2014	574,491,990	38,980,307	535,511,683	43.67	4,868,288,027	11%
2013	528,213,839	38,666,723	489,547,116	43.67	4,450,428,327	11%
2012	449,158,779	39,396,264	409,762,515	43.67	3,725,113,773	11%
2011	418,714,085	39,245,078	379,469,007	43.96	3,449,718,245	11%
2010	423,577,955	39,030,030	384,547,925	43.96	3,495,890,227	11%

Fiscal Year	Real Property and Improvements	Personal Property	Public Service Property	Total Assessed Valuation	Amount of Homestead Exemption	Total Taxable Assessed Value
2019	\$ 127,827,706	\$ 680,437,685	\$ 66,810,400	\$ 875,075,791	\$ 41,299,337	\$ 833,776,454
2018	126,269,331	649,963,867	59,060,690	835,293,888	279,920,448	555,373,440
2017	123,557,466	374,971,224	59,010,420	557,539,110	40,704,290	516,834,820
2016	112,067,637	449,002,170	56,099,780	617,169,587	39,385,919	577,783,668
2015	110,755,135	418,669,353	54,611,300	584,035,788	39,268,684	544,767,104
2014	111,405,126	411,887,594	51,199,270	574,491,990	38,980,307	535,511,683
2013	106,063,357	372,655,492	49,494,990	528,213,839	38,666,723	489,547,116
2012	100,621,361	300,400,058	48,137,360	449,158,779	39,396,264	409,762,515
2011	99,625,961	274,872,614	44,215,510	418,714,085	39,245,078	379,469,007
2010	98,084,153	277,127,072	48,366,730	423,577,955	39,030,030	384,547,925

Source: St. James Parish Assessor's Office

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

PRINCIPAL TAXPAYERS

As of June 30, 2019 and June 30, 2010

(Unaudited)

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Equilon Enterprises LLC*	\$ 165,307,831	1	25.76%	\$ 91,848,057	1	21.68%
Mosaic Fertilizer LLC	43,310,364	2	6.75%	30,751,718	2	-
Valero Marketing & Supply	25,747,298	3	4.01%	14,537,363	5	3.43%
American Styrenics LLC	23,942,741	4	3.73%	18,360,707	3	4.33%
Plains Marketing, LP	22,586,444	5	3.52%	15,002,481	4	3.54%
Locap, Inc.	18,624,460	6	2.90%	-	-	-
Occidental Chemical Corp.	14,200,214	7	2.21%	10,840,976	7	2.56%
Noranda Alumina, LLC	12,725,932	8	1.98%	12,006,848	6	-
Shell Trading US	11,584,626	9	1.81%	-	-	-
Chevron USA Inc.	11,079,869	10	1.73%	-	-	-
Imperial Savannah LP	-	-	-	10,757,618	8	2.54%
Entergy Louisiana Inc.	-	-	-	10,291,300	9	2.43%
Zen-Noh Grain Corp.	-	-	-	9,994,622	10	2.36%
TOTALS	\$ 349,109,779		54.41%	\$ 224,391,690		42.88%

* Formerly Motiva, Inc.

Source: St. James Parish Assessor's Office

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

**AD VALOREM TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS and
SCHOOL BOARD ASSESSED MILLAGES
For the Last Ten Fiscal Years (Unaudited)**

TAX RATES (Mills per Dollar)

<u>Fiscal Year</u>	<u>Sheriff's Office</u>	<u>School Taxes</u>	<u>Road Taxes</u>	<u>Parish Council</u>	<u>Recreation Districts</u>
2019	20.96	44.30	5.97	19.95	5.93
2018	20.96	44.30	5.97	19.95	5.88
2017	20.96	43.56	5.95	19.94	6.03
2016	20.96	43.67	5.95	20.05	6.23
2015	20.96	43.67	5.95	20.12	6.23
2014	20.96	43.67	5.95	20.22	6.63
2013	20.96	43.67	5.95	21.27	6.63
2012	20.96	43.67	5.97	21.27	6.71
2011	20.96	43.96	5.97	22.86	6.71
2010	20.96	43.96	5.97	22.97	6.71

TAX LEVIES

<u>Fiscal Year</u>	<u>Sheriff's Office</u>	<u>School Taxes</u>	<u>Road Taxes</u>	<u>Parish Council</u>	<u>Recreation Districts</u>
2019	\$ 12,582,450	\$ 26,593,586	\$ 3,521,609	\$ 11,976,124	\$ 507,238
2018	11,640,653	24,603,050	3,258,804	11,079,708	453,558
2017	10,832,883	22,513,323	3,017,122	10,305,677	485,097
2016	12,110,370	25,231,824	3,388,182	11,584,568	591,082
2015	11,418,341	23,789,998	3,185,587	10,960,740	562,281
2014	11,224,347	23,385,814	3,128,867	10,828,065	601,613
2013	10,260,929	21,378,539	2,851,522	10,412,689	600,213
2012	8,588,641	18,013,174	2,394,401	8,715,669	490,838
2011	7,953,689	16,681,470	2,213,125	8,678,475	454,635
2010	8,060,144	16,904,739	2,250,138	8,833,083	432,539

ST. JAMES PARISH SCHOOL BOARD ASSESSED MILLAGES

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Constitutional Tax	3.85	3.85	3.84
Special Maintenance Tax	5.98	5.98	5.83
Salaries and Benefits 1994	6.00	6.00	5.73
Salaries and Benefits 1997	8.60	8.60	8.60
Early Childhood Development	2.87	2.87	2.87
Salaries and Benefits 2003	7.00	7.00	6.69
Debt Service	10.00	10.00	10.00
Total School Board Millage	44.30	44.30	43.56

<u>Public Safety</u>	<u>Detention Center</u>	<u>Levee Districts</u>	<u>Drainage Taxes</u>	<u>Fire Protection</u>	<u>Other Taxes</u>	<u>Parish Totals</u>
5.19	0.60	7.40	3.00	0.74	3.04	117.08
5.19	0.60	7.26	3.00	0.74	2.89	116.74
5.18	0.60	7.26	2.99	0.74	2.89	116.10
5.19	0.60	7.40	3.00	0.74	2.59	116.38
5.19	0.60	7.35	3.00	0.74	2.59	116.40
5.19	1.00	7.35	2.98	0.74	2.59	117.28
5.19	1.00	7.35	2.98	0.74	28.62	144.36
5.19	1.00	7.42	2.98	0.74	2.61	118.52
5.19	1.00	7.42	2.98	0.74	2.63	120.42
5.19	0.99	7.43	2.98	0.74	2.61	120.51

<u>Public Safety</u>	<u>Detention Center</u>	<u>Levee Districts</u>	<u>Drainage Taxes</u>	<u>Fire Protection</u>	<u>Other Taxes</u>	<u>Parish Totals</u>
\$ 3,115,601	\$ 360,185	\$ 2,199,766	\$ 1,800,925	\$ 398,184	\$ 1,387,232	\$ 64,442,900
2,882,397	333,226	2,002,958	1,666,126	368,963	1,283,112	59,572,554
2,677,829	310,102	1,865,811	1,545,335	339,509	1,198,216	55,090,904
2,998,713	346,670	2,124,360	1,733,353	386,146	1,322,511	61,817,779
2,827,356	326,863	1,983,636	1,634,307	361,438	1,251,844	58,302,391
2,779,321	535,518	1,952,976	1,595,830	353,355	1,246,014	57,631,720
2,540,764	489,552	1,777,307	1,458,855	316,461	1,539,994	53,626,825
2,126,681	409,766	1,501,590	1,221,098	264,832	955,577	44,682,267
1,969,457	379,473	1,388,038	1,130,823	242,101	880,493	41,971,779
1,995,816	380,703	1,409,209	1,145,958	250,812	893,579	42,556,720

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
3.85	3.85	3.85	3.85	3.85	3.89	3.89
5.85	5.85	5.85	5.85	5.85	5.85	5.85
5.75	5.75	5.75	5.75	5.75	5.81	5.81
8.63	8.63	8.63	8.63	8.63	8.72	8.72
2.88	2.88	2.88	2.88	2.88	2.91	2.91
6.71	6.71	6.71	6.71	6.71	6.78	6.78
10.00	10.00	10.00	10.00	10.00	10.00	10.00
<u>43.67</u>	<u>43.67</u>	<u>43.67</u>	<u>43.67</u>	<u>43.67</u>	<u>43.96</u>	<u>43.96</u>

Source: St. James Parish Assessor's Office

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

AD VALOREM TAX LEVIES AND COLLECTIONS

For the Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>Amount of Tax Levied</u>	<u>Collected in Current Year</u>	<u>Percent of Levy Collected in Current Year</u>	<u>Collected in Subsequent Years</u>	<u>Total Collections to Date</u>	<u>Percent of Levy Collected</u>
2019	\$ 26,593,586	\$ 26,494,946	99.63%	\$ -	\$ 26,494,946	99.63%
2018	24,603,050	24,590,188	99.95%	134,919	24,725,107	100.50%
2017	22,513,323	22,475,967	99.83%	30,672	22,506,639	99.97%
2016	25,231,824	24,754,777	98.11%	459,414	25,214,191	99.93%
2015	23,789,998	23,757,215	99.86%	29,774	23,786,989	99.99%
2014	23,385,814	23,348,712	99.84%	31,012	23,379,724	99.97%
2013	21,378,539	21,204,319	99.19%	157,612	21,361,931	99.92%
2012	18,013,174	17,582,668	97.61%	142,498	17,725,166	98.40%
2011	16,681,470	16,412,333	98.39%	66,719	16,479,052	98.79%
2010	16,904,739	16,677,512	98.66%	73,012	16,750,524	99.09%

Amount of Tax Levied represents Assessor's original levy less homestead exemption.

Source: St. James Parish Assessor

Amount of Tax Collected represents School Board levies and collections only. Amounts do not include payments-in-lieu of taxes, which are reported on the basic financial statements in the Ad Valorem Taxes line item.

Source: St. James Parish School Board.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

For the Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>Ad Valorem Tax and Revenue Sharing</u>	<u>Sales and Use Tax</u>	<u>Totals</u>
2019	27,397,987	25,806,278	53,204,265
2018	25,771,382	19,645,026	45,416,408
2017	23,760,591	18,127,949	41,888,540
2016	25,410,304	17,978,856	43,389,160
2015	24,338,253	16,180,635	40,518,888
2014	23,569,992	18,675,671	42,245,663
2013	21,977,344	25,285,692	47,263,036
2012	18,643,110	18,100,976	36,744,086
2011	17,203,615	18,744,037	35,947,652
2010	17,680,047	12,736,822	30,416,869

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

RATIOS OF OUTSTANDING DEBT BY TYPE

For the Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities		Total Debt	(1) Parish Population	Total Personal Income	Total Debt	
	Gen Oblgtn Bonds and Premium	Certificates Indebtedness/ Capital Lease				Per Capita	Percent of Personal Income
2019	\$ 72,605,582	\$ -	\$ 72,605,582	21,037	\$ 541,408,232	\$ 3,451	13.41%
2018	77,145,845	991,080	78,136,925	21,367	549,644,708	3,657	14.22%
2017	81,526,106	1,973,320	83,499,426	21,557	544,853,175	3,873	15.33%
2016	86,081,369	3,942,429	90,023,798	21,460	543,195,520	4,195	16.57%
2015	31,606,135	2,010,174	33,616,309	21,567	519,139,257	1,559	6.48%
2014	32,864,996	3,056,861	35,921,857	21,664	479,489,312	1,658	7.49%
2013	35,993,329	361,821	36,355,150	21,781	439,867,295	1,669	8.27%
2012	25,531,667	644,548	26,176,215	21,888	399,609,216	1,196	6.55%
2011	27,975,000	917,275	28,892,275	21,995	358,936,405	1,314	8.05%
2010	24,100,000	1,180,002	25,280,002	22,102	317,848,862	1,144	7.95%

(1) 2010 figures are from the U.S. Census; all others are U.S. Census estimates.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

For the Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>Gen Oblgtn Bonds and Premium</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2019	\$ 72,605,582	\$ 5,967,887	\$ 66,637,695	1.22%	\$ 3,168
2018	77,145,845	6,936,092	70,209,753	1.39%	3,286
2017	81,526,106	8,239,984	73,286,122	1.56%	3,400
2016	86,081,369	10,096,601	75,984,768	1.45%	3,541
2015	31,606,135	7,187,270	24,418,865	0.49%	1,132
2014	32,864,996	5,005,298	27,859,698	0.57%	1,286
2013	35,993,329	3,998,859	31,994,470	0.72%	1,469
2012	25,531,667	3,224,948	22,306,719	0.60%	1,019
2011	27,975,000	2,633,175	25,341,825	0.73%	1,152
2010	24,100,000	2,620,110	21,479,890	0.61%	972

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2019
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
St. James Parish Council (1)	\$ 2,725,000	100%	\$ 2,725,000
Town of Lutcher (2)	1,383,000	100%	1,383,000
Town of Gramercy (3)	<u>1,360,253</u>	100%	<u>1,360,253</u>
Subtotal, Overlapping Debt	5,468,253		5,468,253
St. James Parish School Board	<u>72,605,582</u>	100%	<u>72,605,582</u>
Total Direct and Overlapping Debt	\$ <u><u>78,073,835</u></u>		\$ <u><u>78,073,835</u></u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the parish. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of St. James Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of The Board's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

(1) As of December 31, 2018

(2) As of April 30, 2019

(3) As of June 30, 2018

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

LEGAL DEBT MARGIN INFORMATION

For the Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2019	\$ 224,562,053	\$ 72,605,582	\$ 151,956,471	32.33%
2018	292,352,861	77,145,845	215,207,016	26.39%
2017	195,138,689	81,526,106	113,612,583	41.78%
2016	216,009,355	86,081,369	129,927,986	39.85%
2015	204,412,526	31,606,135	172,806,391	15.46%
2014	201,072,197	32,864,996	168,207,201	16.34%
2013	184,874,844	35,993,329	148,881,515	19.47%
2012	157,205,573	25,531,667	131,673,906	16.24%
2011	146,549,930	27,975,000	118,574,930	19.09%
2010	148,252,284	24,100,000	124,152,284	16.26%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value	\$	641,605,867
Debt Limit - 35% of Assessed Value (1)		224,562,053
Less: Amount of Debt Applicable to Debt Limit:		
Bonded Debt		<u>72,605,582</u>
Legal Debt Margin	\$	<u><u>151,956,471</u></u>

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

DEMOGRAPHIC AND ECONOMIC STATISTICS

For the Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(1) Per Capita Income</u>	<u>(1) Median Age</u>	<u>Public Enrollment</u>	<u>Non-Public Enrollment</u>	<u>(2) Jobless Rate</u>
2019	21,037	\$ 25,736	38.9	3,640	263	6.3%
2018	21,367	25,724	38.8	3,717	298	6.9%
2017	21,557	25,275	38.9	3,810	221	7.7%
2016	21,460	25,312	38.9	3,812	214	8.7%
2015	21,567	24,071	38.8	3,795	209	9.1%
2014	21,664	22,133	38.6	3,873	217	9.4%
2013	21,781	20,195	38.5	3,773	221	10.6%
2012	21,888	18,257	38.2	3,885	221	11.7%
2011	21,995	16,319	38.1	3,968	244	13.7%
2010	22,102	14,381	37.9	3,987	226	12.8%

(1) 2010 figures are from the U.S. Census; all others are U.S. Census estimates.

(2) All figures are from the U.S. Bureau of Labor Statistics.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

PRINCIPAL EMPLOYERS

As of June 30, 2019 and June 30, 2010
(Unaudited)

Employer	Type of Business	2019			2010		
		Rank	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment
Equilon Enterprises LLC*	Petroleum Refinery	1	725	7.60%	2	535	6.10%
St. James Parish Schl Brd	K-12 Public Education	2	581	6.09%	1	605	6.89%
Noranda Alumina, LLC	Chemical Plant	3	462	4.84%	3	505	5.75%
Mosaic Fertilizer, LLP	Fertilizer Production	4	406	4.25%	6	240	2.73%
St. James Parish Council	Parish Government	5	209	2.19%	4	370	4.22%
Zen-Noh Grain Corp.	Grain Processor	6	195	2.04%	9	122	1.39%
Associated Terminals	Shipping and Cargo	6	195	2.04%	-	-	-
Louisiana Sugar Refining	Sugar Refining	8	180	1.89%	5	335	3.82%
St. James Parish Hospital	Hospital	9	172	1.80%	-	-	-
Nucor Steel La	Steel Production	10	150	1.57%	-	-	-
American Styrenics	Chemical Refinery	-	-	-	7	138	1.57%
Occidental Chemical Corp	Chemical Refinery	-	-	-	8	135	1.54%
UTZ / Zapps	Potato Chips / Snacks	-	-	-	10	100	1.14%

*Formerly Motiva, Inc.

Source: St. James Parish Council.

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

MISCELLANEOUS STATISTICAL DATA (Unaudited)
As of and For the Year Ended June 30, 2019

Year of Incorporation	1921
Form of Government	President / School Board
Area of Parish	241.54 Square Miles
Regular School Term	180 Days

ST. JAMES PARISH PUBLIC SCHOOLS

<u>Grade Level</u>	<u>Number of Schools</u>	<u>Student Enrollment</u>
PK - 3	4	1,246
4 - 6	2	787
7 - 12	<u>2</u>	<u>1,607</u>
TOTALS	<u><u>8</u></u>	<u><u>3,640</u></u>

<u>Academic Degree</u>	<u>Number of Teachers</u>	<u>Percent of Total</u>
Bachelor's	188	61.84%
Master's	86	28.29%
Master's + 30 Hours	23	7.57%
Education Specialist	3	0.99%
Doctorate	<u>4</u>	<u>1.32%</u>
TOTALS	<u><u>304</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percent of Total</u>
0 - 9	100	32.89%
10 - 19	123	40.46%
20 - 24	43	14.14%
25 and Over	<u>38</u>	<u>12.50%</u>
TOTALS	<u><u>304</u></u>	<u><u>100.00%</u></u>

ST. JAMES PARISH SCHOOL BOARD

Lutcher, Louisiana

INFORMATIONAL PROFILE OF SCHOOL FACILITIES

As of June 30, 2019

(Unaudited)

<u>School</u>	<u>Original Construction</u>	<u>Facility Square Footage</u>	<u>Configuration</u>	<u>Enrollment</u>	<u>Facility Capacity</u>	<u>Latest Addition/ Renovation</u>
St. Louis Academy (1)	1967	48,810	PK - 2	119	480	2019
Gramercy Elementary	1972	79,948	PK - 6	509	680	2016
Cypress Grove Montessori (2)	1967	49,464	PK - 4	100	400	2019
Lutcher High School	1930	182,384	7 - 12	1,003	1,775	2017
Paulina Elementary	1972	82,876	PK - 6	686	760	2016
St. James High School	2019	155,537	7 - 12	604	1,200	2019
Sixth Ward Elementary	1972	61,928	PK - 6	278	640	2019
Vacherie Elementary	1967	63,401	PK - 6	341	680	2019
Career and Technology Center	1967	53,696	7 - 12	-	700	2019
Science and Math Academy	1956	<u>52,213</u>	2 - 12	<u>-</u>	<u>550</u>	2008
TOTALS		<u>830,257</u>		<u>3,640</u>	<u>7,865</u>	

(1) Formerly Fifth Ward Elementary.

(2) Formerly Lutcher Elementary.

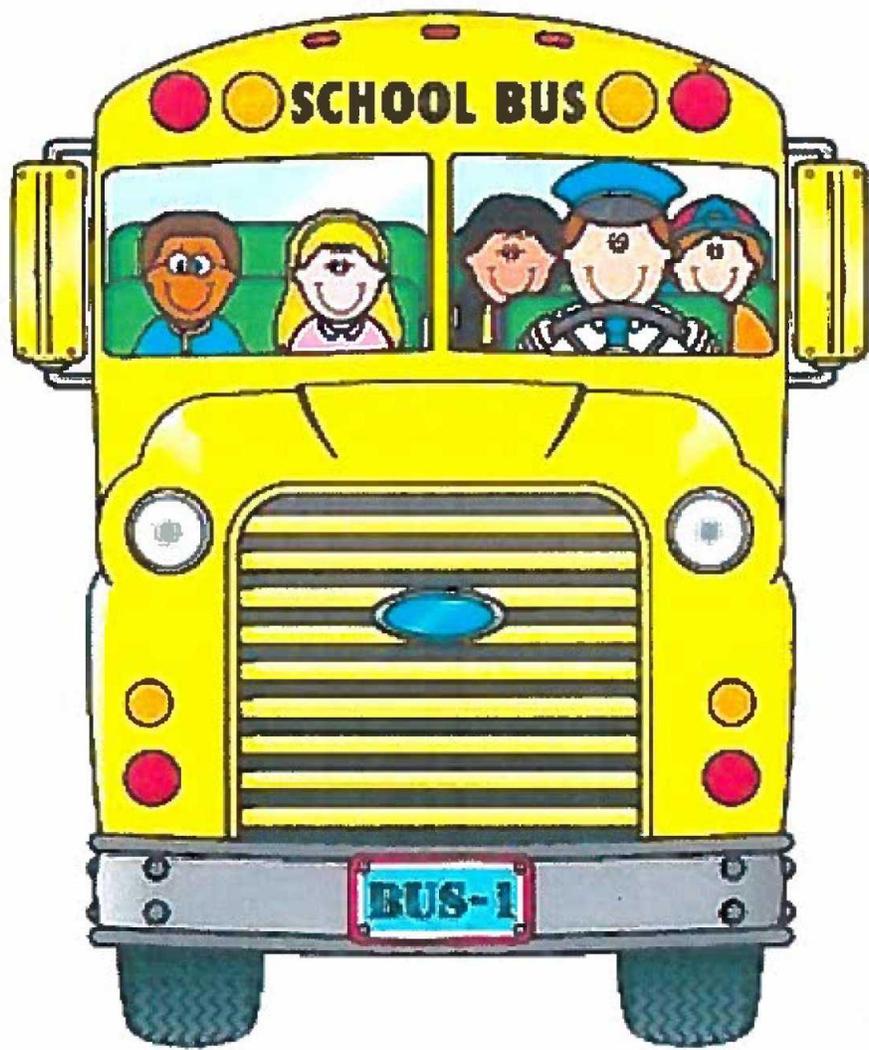
Notes

Gramercy Elementary also houses the Gramercy Elementary Magnet School of Visual and Performing Arts.

The Career and Technology Center and the Science and Math Academy serve students shuttled in from their home schools throughout the system. Accordingly, they report no student enrollment of their own.

Construction of the new St. James High School was substantially completed in July 2018.

The new facility opened its doors to students on August 5, 2018.



ST. JAMES PARISH SCHOOL BOARD

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

Year Ended June 30, 2019

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KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the Board
c/o Dr. P. Edward Cancienne, Jr., Superintendent
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, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 27, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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
December 27, 2019

KOLDER, SLAVEN & COMPANY, LLC

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

To the Members of the Board
c/o Dr. P. Edward Cancienne, Jr., Superintendent
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, 2019. 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, 2019.

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, of 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 a material weakness. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise School Board's basic financial statements. We issued our report thereon dated December 27, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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
December 27, 2019

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through/ Entity Identifying Number	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Child Nutrition Cluster</i>			
Passed through Louisiana Department of Agriculture and Forestry:			
National School Lunch Program - Non-Cash Assistance	10.555	N/A	\$ 249,100
Passed through Louisiana Department of Education:			
National School Lunch Program	10.555	N/A	<u>1,569,093</u>
Total National School Lunch Program			1,818,193
School breakfast program	10.553	N/A	596,491
Summer Food Service Program for Children	10.559	N/A	<u>32,518</u>
<i>Total Child Nutrition Cluster</i>			2,447,202
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	6,355
Child and Adult Care Food Program	10.558	N/A	<u>274,933</u>
Total United States Department of Agriculture			<u>2,728,490</u>
UNITED STATES DEPARTMENT OF DEFENSE			
ROTC	None	N/A	<u>144,873</u>
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	84.010		
Title I		28-19-T1-47	904,963
		28-18-T1-47	81,961
Direct Student Services		28-19-DSS-47	34,208
Total Title I Grants to Local Educational Agencies			<u>1,021,132</u>
<i>Special Education Cluster</i>			
Special Education - Grants to States (IDEA, Part B)	84.027		
IDEA - Part B		28-19-B1-47	642,416
		28-18-B1-47	290,627
High Cost Services		28-19-RH-47	111,871
Total Special Education - Grants to States (IDEA, Part B)			<u>1,044,914</u>
Special Education - Preschool Grants (IDEA Preschool)	84.173		
IDEA Preschool 619		28-19-P1-47	22,688
		28-18-P1-47	10,455
EC Network Lead Agency Consolidated-IDEA 619		28-19-CY-47	1,033
Total Special Education - Preschool Grants (IDEA Preschool)			<u>34,176</u>
<i>Total Special Education Cluster</i>			1,079,090
Career and Technical Education - Basic Grants to States	84.048	28-19-02-47	43,454
		28-18-02-47	2,705
Total Career and Technical Education Programs			<u>46,159</u>
Title III, English Language Acquisition	84.365	28-19-60-47	<u>2,950</u>
Title II, Supporting Effective Instruction	84.367		
Title IIA		28-19-50-47	179,208
		28-18-50-47	3,460
Total Title II, Supporting Effective Instruction			<u>182,668</u>

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through/ Entity Identifying Number	Expenditures
Title IV A - Student Support and Academic Enrichment Program	84.424	28-19-71-47 28-18-71-47	60,269 <u>6,469</u> 66,738
Striving Readers/Comprehensive Literacy Development Grades 9-12	84.371	28-18-SR04-47	<u>102,816</u>
Rehabilitation Services-Vocational Rehabilitation Grants to States - JAG	84.126	28-19-JSPT-47	<u>19,908</u>
Total United States Department of Education			<u>2,521,461</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Award:			
Head Start	93.600	N/A	<u>1,485,914</u>
Passed through Louisiana Department of Education:			
<u>TANF Cluster</u>			
Temporary Assistance for Needy Families (TANF)	93.558		
The Cecil J. Picard LA 4 Early Childhood Program - TANF		28-19-36-47	174,731
Jobs for Americas Graduates (JAG)		28-19-JS-47	<u>18,668</u>
Total TANF Cluster			<u>193,399</u>
<u>CCDF Cluster</u>			
Childcare and Development Block Grant	93.575	28-19-C3-47	<u>6,284</u>
Total United States Department of Health and Human Services			<u>1,685,597</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants-Public Assistance-Presidentially Declared Disasters	97.036	1786-PA-LA	59,983
Total expenditures of federal awards			<u>\$ 7,140,404</u>

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards 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, 2019. 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 position, 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 \$249,100 is reported in the schedule at the fair market value of the commodities received and consumed. At June 30, 2019, the School Board had \$51,021 of commodities remaining in inventory.

(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	\$ 670,095
Other Governmental Funds:	
Title I	1,123,948
Title II and III	185,618
Title IV	66,738
IDEA	1,078,057
Vocational Education	46,159
Head Start	1,485,914
School Food Service	2,728,490
Less: FEMA revenues related to prior year expenditures not reported on SEFA	(244,615)
Total	<u>\$ 7,140,404</u>

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Notes to Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2019

(5) Amounts Incurred in a Prior Year Included on SEFA

The SEFA includes \$59,983 listed under CFDA 97.036 related to expenditures which were incurred in a prior period but not approved on a project worksheet by FEMA until the current fiscal period.

(6) Subrecipients

The School Board provided no federal awards to subrecipients.

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

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
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	_____ <input checked="" type="checkbox"/> 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:

CFDA Number	Federal Agency and Name of Major Program	Type of Opinion
	<u>U.S. Department of Agriculture</u>	
	<i>Child Nutrition Cluster</i>	
10.555	National School Lunch Program	Unmodified
10.553	School Breakfast Program	Unmodified
10.559	Summer Food Service Program for Children	Unmodified
	<u>U.S. Department of Education</u>	
84.010	Title I - Grants to Local Educational Agencies	Unmodified

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

_____ yes	_____ <input checked="" type="checkbox"/> no
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7. Threshold for distinguishing type A and B programs?

\$ 750,000

8. Qualified as a low-risk auditee?

_____ yes	_____ <input checked="" type="checkbox"/> no
-----------	--

Other

9. Management letter issued?

_____ yes	_____ <input checked="" type="checkbox"/> no
-----------	--

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

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

Internal Control Findings –

No findings are reported under this section.

Compliance Findings –

No findings are reported under this section.

Part III. Findings and questioned costs for Federal Awards:

No findings are reported under this section.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

APPENDIX A

Note: No items requiring corrective action were previously reported.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS

APPENDIX B

Note: No items requiring corrective action were reported.

ST. JAMES PARISH SCHOOL BOARD

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2018 through June 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have performed the procedures enumerated below, which were agreed to by the St. James Parish School Board (hereinafter "SJPSB") and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019, as required by the *Louisiana Governmental Audit Guide*. The SJPSB's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable provisions of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the SJPSB and LLA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated exceptions are as follows:

Written Policies and Procedures

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

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

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

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

Written policies and procedures were obtained and address the functions noted above. Written policies and procedures related to functions (1)-(3) were formally adopted on June 11, 2019.

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

Written policies and procedures were obtained and address the functions noted above. Written policies and procedures related to processing disbursements were formally adopted on June 11, 2019.

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

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

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

Written policies and procedures were obtained and address the functions noted above, except for (2) standard terms and conditions. Written policies and procedures related to (3) legal review were formally adopted on June 11, 2019.

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

Written policies and procedures were obtained and address the functions noted above. Written policies and procedures were formally adopted on June 11, 2019.

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

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above, except for (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the SJPSB's ethics policy.

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

Written policies and procedures were obtained and address the functions noted above, except for (3) debt reserve requirements.

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

Written policies and procedures were obtained and do not address the functions noted above.

Board or Finance Committee

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

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

Bank Reconciliations

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

Obtained listing of bank accounts from management, identifying SJPSB's main operating account, and management's representation that the listing is complete. Selected SJPSB's main operating account and randomly selected four (4) additional accounts. Randomly selected one month from the fiscal period.

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

Two (2) of the five (5) bank reconciliations selected for testing did not evidence the date of preparation.

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

Bank reconciliations are prepared and/or reviewed by a member of management who post ledgers.

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

Documentation reflecting management has researched reconciling items which have been outstanding for more than 12 months could not be obtained for one outstanding check.

Collections (excluding EFTs)

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

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

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

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

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

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

Payroll and Personnel

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

Note: Procedures excluded from testing in the current period - Per the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, Year 3: "Entities that did not have exceptions in one or more of the twelve AUP categories tested during Year 1 or Year 2 may exclude those categories from testing in Year 3."

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

Other

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

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

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

Notice required by R.S. 24:523.1 was posted on SJPSB's premises and website.

Management's Response

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

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the SJPSB's management and the LLA and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 27, 2019

ST. JAMES PARISH SCHOOL BOARD

Special Agreed-Upon Procedures on
Performance Measures

Year Ended June 30, 2019

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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, which were agreed to by the management of St. James Parish School Board (hereinafter "SJPSB"), Louisiana Department of Education and, Legislative Auditor, on the performance and statistical data accompanying the annual financial statements of SJPSB for the year ended June 30, 2019, 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), as required by 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.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of SJPSB, Louisiana Department of Education, and Louisiana Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated exceptions 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 of rehired retiree status, as well as full-time equivalents, and obtained management's representation that the date/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.

The following exceptions were found as a result of this procedures:

- *Extra compensation for two of the twenty-five individuals selected was not properly included on the PEP data.*
- *Base salary for one of the twenty-five individuals selected was not properly included on the PEP data based on information maintained in the individual's personnel file.*

We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of SJPSB, as required by Louisiana Revised Statute 24:514.I, and the results of that testing and not to provide an opinion or conclusion on the performance and statistical data. This report is intended solely for the information of and use by SJPSB's management, the Louisiana Department of Education, and the Louisiana Legislative Auditor. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 27, 2019

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.

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 18,438,850	
Employee Benefits	9,256,797	
Purchased Professional and Technical Services	587,293	
Instructional Materials and Supplies	550,092	
Instructional Equipment	28,897	
Total Teacher and Student Interaction Activities		\$ 28,861,929

Other Instructional Activities 178,111

Pupil Support Activities	4,067,772	
Less: Equipment for Pupil Support	-	
Net Pupil Support Activities		4,067,772

Instructional Staff Services	2,127,215	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		2,127,215

School Administration	4,056,893	
Less: Equipment for School Administration	-	
Net School Administration		4,056,893

Total General Fund Instructional Expenditures \$ 39,291,920

Total General Fund Equipment Expenditures \$ 28,897

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 2,374,211
Renewable Ad Valorem Tax	18,929,314
Debt Service Ad Valorem Tax	6,011,541
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	649,602
Sales and Use Taxes	25,806,278
Total Local Taxation Revenue	\$ 53,770,946

(continued)

SCHEDULE 1 (continued)

State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	\$ 33,760
Revenue Sharing - Other Taxes	<u>48,762</u>
Total State Revenue in Lieu of Taxes	<u><u>\$ 82,522</u></u>

ST. JAMES PARISH SCHOOL BOARD
Lutcher, Louisiana

Class Size Characteristics
As of October 1, 2018

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	78.7%	700	21.3%	190	0.0%	-	0.0%	-
Elementary activity classes	76.5%	91	23.5%	28	0.0%	-	0.0%	-
High	78.6%	734	18.7%	175	2.7%	25	0.0%	-
High activity classes	82.3%	121	8.8%	13	8.2%	12	0.7%	1

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