

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
RESERVE, LOUISIANA**

Annual Financial Report

June 30, 2021



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FINANCIAL SECTION

Independent Auditor's Report

To the Board Members of
St. John the Baptist Parish School Board
Reserve, 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 St. John the Baptist Parish School Board (the School Board), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2021, and the respective changes in financial position thereof 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 that the other postemployment benefits information on page 64, net pension liability information and schedule of contributions on pages 65 and 66, and budgetary comparison information on pages 68 - 69, 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. John the Baptist Parish School Board's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 accompanying supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022 on our consideration of the School Board’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Emphasis of a Matter

As discussed in Note 19 to the financial statements, the School Board adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The adoption of GASB Statement No. 84 required the School Board to report its school activity funds in governmental activities, whereas previously school activity funds were considered fiduciary funds. Adoption of this guidance required the School Board to restate beginning net position in its government-wide financial statements. Our opinion is not modified with respect to this matter.



A Professional Accounting Corporation

Covington, LA
September 28, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Net Position
June 30, 2021**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 24,484,096
Investments	583,742
Due from Other Governments	7,797,383
Due from Custodial Fund	2,750,687
Other Receivables	3,726,816
Inventory	141,518
Prepaid Expenses	1,036,052
Capital Assets not Being Depreciated	3,425,339
Capital Assets Being Depreciated, Net	<u>103,141,373</u>
Total Assets	<u>147,087,006</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	31,180,176
Deferred Outflows Related to Other Postemployment Benefits	35,108,629
Deferred Loss on Debt Refunding	<u>1,331,013</u>
Total Deferred Outflows of Resources	<u>67,619,818</u>
Liabilities	
Accounts, Salaries, and Other Payables	11,846,380
Interest Payable	469,520
Long-Term Liabilities	
Due Within One Year	6,654,599
Due in More than One Year	<u>229,343,627</u>
Total Liabilities	<u>248,314,126</u>
Deferred Inflows of Resources	
Advance Tax Payments	3,732,866
Deferred Inflows Related to Pensions	2,580,054
Deferred Inflows Related to Other Postemployment Benefits	<u>60,521,631</u>
Total Deferred Inflows of Resources	<u>66,834,551</u>
Net Position	
Net Investment in Capital Assets	39,019,788
Restricted for:	
Special Revenue	291,456
Debt Service	9,655,497
Construction	6,046,481
Unrestricted	<u>(155,455,075)</u>
Total Net Position	<u>\$ (100,441,853)</u>

The accompanying notes are an integral part of these financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 58,673,006	\$ 1,088,979	\$ 14,707,695	\$ (42,876,332)
Support Services	46,768,872	-	3,149,732	(43,619,140)
Interest on Long-Term Debt	1,847,813	-	-	(1,847,813)
Total Governmental Activities	\$ 107,289,691	\$ 1,088,979	\$ 17,857,427	(88,343,285)
General Revenues:				
Taxes:				
Ad Valorem Taxes				22,990,958
Sales and Use Taxes				24,003,228
Grants and Contributions Not Restricted to Specific Programs				
Minimum Foundation Program				28,534,935
Interest and Investment Earnings				165,816
Other				1,317,283
Total General Revenues				77,012,220
Change in Net Position				(11,331,065)
Net Position, Beginning				(89,528,794)
Change in Accounting Principle				418,006
Net Position, Beginning (Restated)				(89,110,788)
Net Position, Ending				\$ (100,441,853)

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Balance Sheet - Governmental Funds
June 30, 2021**

	General Fund	Other Federal Programs Fund	Sinking III Fund	Construction Projects II Fund	Non-Major Governmental Funds	Total
Assets						
Cash and Cash Equivalents	\$ 9,346,960	\$ 68,442	\$ 10,626,793	\$ 2,533,930	\$ 1,834,322	\$ 24,410,447
Investments	583,742	-	-	-	-	583,742
Interfund Receivables	11,200,934	-	916,672	3,102,695	-	15,220,301
Due from Other Governments	749,250	5,326,655	-	-	1,721,478	7,797,383
Other Receivables	3,040,832	-	276,753	409,231	-	3,726,816
Inventory	-	-	-	-	141,518	141,518
Prepaid Expenses	1,036,052	-	-	-	-	1,036,052
Total Assets	\$ 25,957,770	\$ 5,395,097	\$ 11,820,218	\$ 6,045,856	\$ 3,697,318	\$ 52,916,259
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts, Salaries, and Other Payables	\$ 11,390,851	\$ 208,737	\$ -	\$ -	\$ 246,792	\$ 11,846,380
Interfund Payables	4,019,367	4,653,020	-	-	3,797,227	12,469,614
Total Liabilities	15,410,218	4,861,757	-	-	4,044,019	24,315,994
Deferred Inflows of Resources						
Advance Tax Payments	3,732,866	-	-	-	-	3,732,866
Unavailable Revenue	-	533,340	1,400,939	-	125,000	2,059,279
Total Deferred Inflows of Resources	3,732,866	533,340	1,400,939	-	125,000	5,792,145
Fund Balances						
Nonspendable	1,036,052	-	-	-	141,518	1,177,570
Restricted	-	-	10,419,279	6,045,856	396,219	16,861,354
Assigned	2,858,742	-	-	-	-	2,858,742
Unassigned	2,919,892	-	-	-	(1,009,438)	1,910,454
Total Fund Balances	6,814,686	-	10,419,279	6,045,856	(471,701)	22,808,120
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,957,770	\$ 5,395,097	\$ 11,820,218	\$ 6,045,856	\$ 3,697,318	\$ 52,916,259

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021**

Total Fund Balances - Governmental Funds \$ 22,808,120

Amounts reports for governmental activities in the statement of net position are different because:

The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The statement of net position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds:

Cost of Capital Assets as of June 30, 2021	\$ 192,944,233	
Less: Accumulated Depreciation as of June 30, 2021 for:		
Buildings	(79,254,728)	
Movable Property	<u>(7,122,793)</u>	106,566,712

Net Position of the Internal Service Fund is reported as proprietary fund type in the fund financial statements but included as governmental activities in the government-wide financial statements. 73,649

Deferred outflows/inflows related to pensions are not due and payable in the current period and, accordingly, are not reported in the fund financial statements:

Deferred Outflows Related to Pensions	\$ 31,180,176	
Deferred Outflows Related to Other Postemployment Benefits	35,108,629	
Deferred Inflows Related to Pensions	(2,580,054)	
Deferred Inflows Related to Other Postemployment Benefits	(60,521,631)	
Deferred Loss on Debt Refunding	<u>1,331,013</u>	4,518,133

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position:

Balances at June 30, 2021		
Long-Term Liabilities		
Compensated Absences Payable	\$ (2,644,980)	
Claims Payable	(4,062,731)	
Premium on Bonds Payable	(637,109)	
Bonds Payable	(67,546,924)	
Net Pension Liability	(96,749,114)	
Net Other Postemployment Benefit Liability	<u>(64,357,368)</u>	(235,998,226)

Interest on long-term debt is not recognized in governmental funds until it is due and payable (usually semi-annually); however, in the statement of net position that amount of interest which is payable but not yet due is recognized as a current liability. (469,520)

Difference in revenue recognition on the modified accrual basis as reported in the fund statements versus revenue recognition on the full accrual basis. 2,059,279

Total Net Position - Governmental Activities \$ (100,441,853)

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021**

	General Fund	Other Federal Programs Fund	Sinking III Fund	Construction Projects II Fund	Non-Major Governmental Funds	Total
Revenues						
Local Sources:						
Taxes:						
Ad Valorem	\$ 15,249,981	\$ -	\$ 8,675,407	\$ -	\$ -	\$ 23,925,388
Sales and Use	20,792,379	-	-	3,210,849	-	24,003,228
Interest Earnings	11,002	-	149,522	2,073	3,605	166,202
Student Activities	-	-	-	-	592,972	592,972
Charges for Services	1,088,979	-	-	-	-	1,088,979
Other	723,925	-	-	-	-	723,925
Total Local Sources	37,866,266	-	8,824,929	3,212,922	596,577	50,500,694
State Sources:						
Minimum Foundation Program	28,492,610	-	-	-	42,325	28,534,935
Other	897,849	-	-	-	-	897,849
Total State Sources	29,390,459	-	-	-	42,325	29,432,784
Federal Sources	-	10,227,037	-	-	6,395,974	16,623,011
Total Revenues	67,256,725	10,227,037	8,824,929	3,212,922	7,034,876	96,556,489
Expenditures						
Current:						
Instruction	41,663,436	10,342,645	-	-	3,412,720	55,418,801
Support Services	28,453,925	205,956	340,246	12,895	3,899,652	32,912,674
Capital Outlay	8,701	243,605	-	-	17,950	270,256
Debt Service:						
Principal Retirement	307,692	-	3,775,000	-	780,000	4,862,692
Interest and Bank Charges	22,460	-	1,439,526	-	398,938	1,860,924
Total Expenditures	70,456,214	10,792,206	5,554,772	12,895	8,509,260	95,325,347
Excess (Deficiency) of Revenues Over Expenditures	(3,199,489)	(565,169)	3,270,157	3,200,027	(1,474,384)	1,231,142
Other Financing Sources (Uses)						
Transfers In	-	565,169	-	-	390,102	955,271
Transfers Out	(563,149)	-	-	(392,122)	-	(955,271)
Total Other Financing Sources (Uses)	(563,149)	565,169	-	(392,122)	390,102	-
Net Change in Fund Balances	(3,762,638)	-	3,270,157	2,807,905	(1,084,282)	1,231,142
Fund Balances, Beginning	10,577,324	-	7,149,122	3,237,951	194,575	21,158,972
Change in Accounting Principle	-	-	-	-	418,006	418,006
Fund Balances, Beginning (Restated)	10,577,324	-	7,149,122	3,237,951	612,581	21,576,978
Fund Balances, Ending	\$ 6,814,686	\$ -	\$ 10,419,279	\$ 6,045,856	\$ (471,701)	\$ 22,808,120

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
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, 2021**

Total Net Change in Fund Balances - Governmental Funds **\$ 1,231,142**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year:

Capital Outlays	\$ 270,256	
Loss on Disposal of Capital Assets	(23,638)	
Depreciation Expense	<u>(6,996,758)</u>	(6,750,140)

The issuance of long-term debt provides current financial resources of governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayment of Bond Principal	4,862,692	
Loss on Refunding of Bonds	<u>(177,250)</u>	4,685,442

In the statement of activities, certain operating expenses - other post-employment benefits - are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 985,366

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. (12,573)

Incurred but not reported claims for workers' compensation are recorded for the full accrual statements, but the amount recorded in the fund financial statements is the amount actually paid. (520,583)

Difference in revenue recognition on the modified accrual basis as reported in the fund financial statements versus revenue recognition on the accrual basis. (11,102,605)

The recognition of pension expense in the statement of activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. (111,124)

All revenues, expenses, and changes in net position of the Internal Service Fund are reported as proprietary fund type in the fund financial statements, but included as governmental activities in the government-wide financial statements. 73,649

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 190,361

Change in Net Position of Governmental Activities **\$ (11,331,065)**

The accompanying notes are an integral part of these financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Internal Service Self-Insurance Fund</u>
Assets	
Current	
Cash and Cash Equivalents	\$ 73,649
Total Current Assets	<u>73,649</u>
Liabilities	
Current	
Claims and Judgements	<u>-</u>
Total Current Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Unrestricted	<u>73,649</u>
Total Net Position	<u>\$ 73,649</u>

The accompanying notes are an integral part of these financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	<u>Internal Service Self-Insurance Fund</u>
Operating Revenues	
Premiums	\$ 472,782
Total Operating Revenues	<u>472,782</u>
Operating Expenses	
Claims Expense	<u>399,133</u>
Total Operating Expenses	<u>399,133</u>
Change in Net Position	73,649
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ 73,649</u></u>

The accompanying notes are an integral part of these financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	<u>Internal Service Self-Insurance Fund</u>
Cash Flows from Operating Activities	
Cash Received from Premiums	\$ 472,782
Cash Payments for Claims	<u>(399,133)</u>
Net Cash Provided by Operating Activities	<u>73,649</u>
Net Increase in Cash and Cash Equivalents	73,649
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 73,649</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	<u>\$ 73,649</u>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2021**

	Custodial Fund
<hr/>	
Assets	
Cash and Cash Equivalents	\$ 7,068,881
	<hr/>
Total Assets	\$ 7,068,881
	<hr/>
Liabilities	
Due to Other Funds	\$ 2,750,687
Due to Others	4,318,194
	<hr/>
Total Liabilities	\$ 7,068,881
	<hr/>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Changes in Fiduciary Net Position
Custodial Fund
June 30, 2021**

	Custodial Fund
<hr/>	
Additions	
Sales Tax Collected	\$ 51,184,211
	<hr/>
Total Additions	51,184,211
	<hr/>
Deductions	
Costs of Collection	1,453,841
Distributions to Taxing Bodies	49,730,370
	<hr/>
Total Deductions	51,184,211
	<hr/>
Net Increase in Net Position	-
	<hr/>
Net Position, Beginning of Period	-
	<hr/>
Net Position, End of Period	\$ -
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

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

The School Board operates 11 schools within the Parish with a total enrollment of 5,695 pupils for the year ended June 30, 2021. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The accompanying financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The 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*.

Reporting Entity

St. John the Baptist Parish School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

Basis of Presentation - Fund Accounting

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

Funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds account for all or most of the School Board 's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference in a governmental fund's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental funds:

General Fund - The General Fund is the general operating fund of the School Board. The General Fund receives most of the resources derived by the School Board from local sources (principally, ad valorem and sales taxes) and state sources (principally, the Minimum Foundation Program). General fund expenditures represent the cost of general school board operations and individual functional categories of instructional and support services. The General Fund is used to account for and report all financial resources except those required to be accounted for in another fund. It is available for any purpose, provided it is expended or transferred in accordance with state and federal laws and according to school board policy.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Of the special revenue funds, the Other Federal Programs Fund is considered a major fund.

Other Federal Programs Fund - The Other Federal Programs Fund is used to account for all federal programs except for the Child Nutrition Program, Title I, Title II, and Title III. The main revenue sources are the Federal Emergency Management Agency, Individuals with Disabilities Education Act, IDEA Preschool, and Headstart.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Separate capital projects funds are maintained to account for the proceeds of major general obligation bonds and other financing proceeds. Of the Capital Projects Funds, the Construction Projects II Fund is considered a major fund.

Construction Projects II Fund: - This fund is used to account for the proceeds and use of a one-third of the one percent sales and use tax dedicated to capital acquisition and improvements. It also accounts for the proceeds and use of a sales tax revenue bond dedicated for the purpose of making capital improvements to the School Board.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest payments on long-term debt. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. Of the Debt Service Funds, the Sinking Fund III is considered a major fund.

Sinking Fund III - This fund was established to meet the requirements of the bond ordinances and is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

Proprietary Fund Types

Proprietary funds are used to account for the School Board's ongoing activities which are similar to those often found in the private sector. The objective is to earn revenues which approximate its costs and expenses. The School Board operates an Internal Service Fund which accounts for its self-insurance program for workers' compensation and liability. The activities for the Internal Service Fund are presented separately in the fund financial statements; however, they are grouped within the presentation of the government-wide financial statements. The Internal Service Fund is reflected in the governmental activities column of the government-wide financial statements.

Custodial Funds

Custodial funds are used to account for assets held by the School Board in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Custodial funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

Custodial Funds (Continued)

The School Board maintains one custodial fund:

Sales Tax Fund - The Sales Tax Fund accounts for the collection and distribution of St. John the Baptist Parish's five percent sales and use tax. Two and one-quarter percent is dedicated to St. John the Baptist Parish School Board, two and one-quarter percent is dedicated to St. John the Baptist Parish Council, and one-half percent is dedicated to St. John the Baptist Parish Sheriff's Department.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities.

The statement of net position and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Revenues from nonexchange transactions include sales taxes, ad valorem taxes, and grants from federal, state, and local sources. The accounting policies for revenue recognition pertaining to these nonexchange transactions are described in the remainder of this footnote.

Program Revenues

Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Internal Activities

All internal activities and interfund transactions, except interfund services provided and used, are eliminated in the government-wide financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Allocation of Indirect Expenses

The School Board reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense which can be specifically identified by function, is included in the direct expenses of that function. Depreciation on buildings is allocated to "Instruction" or "Support" functions based on total expenditures due to the fact that school buildings serve multiple purposes. Interest on long-term debt is considered an indirect expense and is reported separately in the statement of activities.

Fund Financial Statements (FFS)

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in the proprietary fund statements.

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (FFS) (Continued)

Governmental Funds (Continued)

The governmental fund types are reported in the financial statements on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after year-end. Revenues not considered available are recorded as deferred inflows. Expenditures are generally recognized (vs. recorded) under the accrual basis of accounting when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are recognized as expenditures when the benefit earned by the employee has matured, and general long-term obligations principal and interest payments are recognized only when due.

The following practices in recording revenues and expenditures have been used for the governmental funds:

Revenues

Federal and state entitlements, which include Minimum Foundation Program and state revenue sharing, are recorded as unrestricted grants-in-aid when available and measurable). Expenditure-driven federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred)

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis based on the assessed value on January 1st, become due on November 15th, and become delinquent on December 31st. An enforceable lien attaches to the property as of January 1st. The taxes were levied by the School Board on October 15, 2020. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in November, December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected and are unremitted by the St. John the Baptist Parish Tax Assessor's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month in which the School Board considers them available to finance current-year obligations and are collected by the School Board. Substantially all other revenues are recorded when received.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (FFS) (Continued)

Governmental Funds (Continued)

Expenditures

Expenditures are recognized in the accounting period in which the related fund liability is incurred. If measurable, except for the following: (1) costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees; (2) general long-term obligations principal and interest payments are recognized when due. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded as a long-term liability in the GWFS.

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30th.

Inventory items are expensed as purchased except for inventory of the School Food Service Fund which is expensed as consumed.

The proprietary fund type is reported in the financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues are charges to customers for services. Principal operating expenses are the costs of providing services and include administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Budget and Budgetary Accounting

Annual budgets are legally adopted by the School Board for the General and Special Revenue Funds. Budgets are prepared on a modified accrual basis, consistent with the basis of accounting for comparability of budgeted and actual revenues and expenditures. Formal budgetary integration is employed as a management control device during the year, excluding the recording of encumbrances. Budgetary data for the Capital Projects Funds have not been presented in the accompanying financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Budget and Budgetary Accounting (Continued)

The Debt Service Fund complies with bond covenant provisions and is, therefore, not budgeted.

Prior to September 15th of each year, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund for the fiscal year commencing the prior July 1st. The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 15th, the General Fund budget is legally enacted through adoption by the School Board.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 15th by the School Board. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. Unencumbered appropriations of grant-oriented Special Revenue Funds are re-appropriated at the beginning of the following fiscal year. Unencumbered appropriations of certain non-grant-oriented Special Revenue Funds lapse at the end of the fiscal year and are included in the next year's budget with funds appropriated in that year to finance them.

The Superintendent and/or the Executive Director of Finance are authorized to transfer amounts between line items within any fund. When actual total revenues within the General Fund or a Special Revenue Fund fail to meet budgeted total revenues by five percent or more and/or actual total expenditures within the General Fund or a Special Revenue Fund fail to meet budgeted total expenditures by five percent or more, a budget amendment to reflect such change is adopted by the School Board in an open meeting. The budgetary comparison schedules (see pages 68 - 69) include the effect of such budget amendments, none of a significant nature.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits and interest-bearing money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days. Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in United States Treasury obligations, United States government agency obligations, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Investments (Continued)

Louisiana Revised Statute (R.S.) 33:2955 authorizes the School Board to invest in (1) direct obligations of the United States treasury, the principal and interest of which are fully guaranteed by the federal government; (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities; (3) direct security repurchase agreements of any federal book-entry-only securities; (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana; (5) savings accounts or shares of savings and loan associations in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies; or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

Due from Other Governments

Due from other governments consists of receivables for reimbursement of expenditures under various state and federal programs and grants. These amounts also represent various tax type revenues due at year-end. Collections are expected within one year.

Interfund Transactions

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds, but are eliminated in the GWFS.

Inventories

Inventories in the School Lunch/Breakfast Special Revenue Fund consist of food and supplies. The commodities are recorded in revenues and expenditures when consumed.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if historical cost is not known. The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings and Improvements	15 - 30 Years
Furniture and Equipment	5 - 10 Years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the GWFS. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the FFS.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has four items that qualify for reporting in this category: deferred outflows of resources related to the net pension liability, deferred outflows of resources related the net other postemployment benefit (OPEB) liability, deferred loss on debt refunding, and unavailable revenues on the governmental fund financial statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The School Board has two items that qualify for reporting in this category: deferred inflows of resources related to the net pension liability and deferred inflows of resources related to the net other postemployment benefit liability. Unavailable revenue is reported only in the governmental funds. The School Board has one item that meets the criterion for this category on the balance sheet - governmental funds: unavailable revenue, which represents all revenues not collected within 60 days after the fiscal year-end.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

Vacation

All 12-month employees earn from 10 to 20 days of vacation leave each year, depending on their length of service with the School Board. Employees may carry over up to 10 unused vacation days from one fiscal year to the next. An employee can only accumulate 25 vacation days. Upon severance of employment, these 25 days will be paid to the employee as severance pay.

Sick Leave

Teachers and other 9-month employees earn 10 days of sick leave each year. All 12-month employees earn from 10 to 18 days of sick leave each year, depending on their length of service with the School Board. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees (or their heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. Under the Louisiana School Employees' Retirement System, all unpaid sick leave excluding the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical Leave

Sabbatical leave may be granted for medical leave and for professional and cultural improvement. An employee with a teacher's certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after six semesters of continuous service or two semesters of sabbatical leave after twelve or more semesters of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

Long-Term Obligations

In the GWFS and the proprietary fund types in the FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Claims and Judgments

The School Board provides for losses and anticipated expenses resulting from claims and judgments, including claim adjustment expenditures/expenses, salvage, and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case-by-case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50. The liability for such losses is recorded in the government-wide financial statements. Incurred but not reported claims as of June 30, 2021 have been considered in determining the accrued liability.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position Classifications

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

- a. *Net Investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- b. *Restricted Net Position* - This component consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Restricted for other purposes on the statement of net position consists of grant-related cash and workers' compensation investments.
- c. *Unrestricted Net Position* - This component consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position reported on the statement of net position as debt service, employee salaries, benefits and retiree insurance, school operations, and facility improvements are restricted by enabling legislation.

Fund Balance

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. It requires the fund balance amounts be reported as follows:

1. *Nonspendable* - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

2. *Restricted* - This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the School Board to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
3. *Committed* - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision-making authority which includes the resolutions of the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed previously to commit those amounts. The highest level of decision-making authority for the School Board is St. John the Baptist Parish School Board.
4. *Assigned* - This component consists of amounts that are constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the School Board, Superintendent, or their designee as established in the School Board's Fund Balance Policy.
5. *Unassigned* - This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the School Board's policy to use committed resources first, then assigned, and then unassigned as they are needed. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the Parish Assessor, except for public utility property which is assessed by the State Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property are to be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public utility properties, excluding land, are to be assessed at 25% of fair market value. The last revaluation was completed for the roll for 2020.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Sales and Use Taxes

The School Board collects five percent (5%) in sales and use tax. The sales and use tax is collected by an independent contractor, who is contracted through the School Board and serves as the sales tax department. Two and one-quarter percent (2¼%) of the taxes collected are remitted to the Parish Council. One-half percent (.5%) of the taxes collected are remitted to the Sheriff's Department. The School Board's costs of collecting the funds are shared proportionally by the Parish Council, Sheriff's Department, and the School Board.

The School Board retains the remaining two and one-half percent (2½%) of the taxes collected and allocates them as follows:

General Fund	
General Support Service	1 %
Regular Instruction Programs	⅓ %
Repairs and Maintenance of Plant and Facilities	⅓ %
Capital Projects Fund	⅓ %
Teacher Salaries	½ %
	<hr/>
Total	2½ %
	<hr/> <hr/>

Pensions

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements. 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 positions of the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS) and additions to/deductions from TRSL's and LSERS' fiduciary net positions have been determined on the same basis as they are reported by TRSL and LSERS. 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.

Use of Estimates

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Stewardship, Compliance, and Accountability

Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At June 30, 2021, the School Board was in compliance with the deposit and investment laws and regulations.

Budgeted Revenues over Actual

For the year ended June 30, 2021, the General Fund had revenues of \$67,256,725 which fell short of budgeted revenues of \$78,301,428 which resulted in an unfavorable variance of \$11,044,703, or 14%.

Deficit Fund Balance

At June 30, 2021, the School Lunch/Breakfast Fund had a deficit fund balance of \$104,138. This accumulation is caused by expenditures exceeding revenues during prior years. At June 30, 2021, the Sinking Fund II had a deficit fund balance of \$763,782. This accumulation is caused by expenditures exceeding revenues during prior years and is expected to remain as until existing debt is retired. The deficit is funded by transfers from the General Fund.

Recent Accounting Pronouncements - Adopted

The School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the current year. This Statement established criteria and designations for reporting fiduciary activities in the financial statements of state and local governments. The Agency Fund title was renamed to Custodial Fund for which the standard specified can only be reported as a fiduciary activity if the government does not have administrative involvement, among other criteria. The requirements of this Statement apply to the financial statements of all state and local governments and is applicable for reporting periods beginning after December 15, 2019. In addition, the School Board adopted paragraphs 4 and 5 of GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The paragraphs adopted are amendments to GASB 84 and reverse the criteria in GASB 84 to include certain defined contribution retirement plans without a board in the financial statements of state and local governments.

The implementation of these new accounting standards required the School Board to change the way school activity funds are reported. Previously, school activity funds in Louisiana were reported as fiduciary agency funds; however, under the new criteria established by GASB 84, student activity funds can only be reported as fiduciary custodial funds if no administrative involvement exists. Since school activity funds are required to be administered in accordance with the provisions of Louisiana Revised Statute 17.414.3 et. seq., this statute establishes that the School Board has administrative involvement and the school activity funds are reported in these financial statements as a governmental - special revenue fund.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements - Adopted (Continued)

The adoption of GASB 84 required a restatement of the June 30, 2020 net position and fund balance. The net effect to the School Board's governmental activities net position and governmental funds - fund balance for the prior year that resulted from the adoption of GASB 84 is as follows:

	Other Non-Major Governmental Funds	Government- Wide Statement of Net Position
Total Fund Balance/Net Position June 30, 2020 as Previously Reported	\$ 194,575	\$ (89,528,794)
Implementation of GASB Statement 84 - Reclassify School Activity Accounts to Special Revenue Fund	418,006	418,006
Total Fund Balance/Net Position, June 30, 2020, Restated	\$ 612,581	\$ (89,110,788)

Recent Accounting Pronouncements - Not Yet Adopted

As of June 30, 2021, the Governmental Accounting Standards Board has issued several statements not yet implemented by the School Board. The statements which might impact the School Board, are as follows:

GASB Statement No. 87, Leases

This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

This Statement establishes accounting requirements for interest costs incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, Conduit Debt Obligations

This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements - Not Yet Adopted (Continued)

GASB Statement No. 92, *Omnibus 2020*

This Statement addresses a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

This Statement will address accounting and financial reporting issues and implications that result from the replacement of interbank offered rates. The requirements of this Statement are effective for periods beginning after June 15, 2020, June 15, 2021, and December 31, 2021, depending on the paragraph, as originally established; however, GASB Statement No. 95 allows governments to postpone implementation for one year.

GASB Statement No. 95, *Postponements of Effective Dates of Certain Authoritative Guidance*

The Statement was issued to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. See references to GASB Statement No. 95 within the various pronouncements above to determine the impact on each individual statement. The requirements of this Statement are effective immediately.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans, and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending June 30, 2022.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 2. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

At June 30, 2021, the School Board had cash and cash equivalents totaling \$31,552,997 reported on the statement of net position as follows:

Fund Type	Amount
Governmental Funds	\$ 24,484,096
Custodial Fund	<u>7,068,881</u>
Total	<u>\$ 31,552,977</u>

Under state law, the bank balances of these deposits must be secured by the Federal Deposit Insurance Corporation (FDIC) or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At June 30, 2021, bank balances were secured and collateralized as follows:

	Amount
FDIC Insured	\$ 250,000
Collateral Held by Pledging Bank in School Board's Name with Letters of Credit Issued by the Federal Home Loan Bank	<u>30,773,349</u>
Total Bank Balance	<u>\$ 31,023,349</u>

The School Board does not have a deposit policy for custodial credit risk.

Investments

The School Board maintains an investment pool with an investment broker for all funds. Each fund's portion of the cash and investment pool is included in that fund's cash and cash equivalent account and/or that fund's investment account. Interest earned on pooled cash and investments is allocated to the participating funds based upon their combined participating balances.

Investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Note 1. Summary of Significant Accounting Policies) consisted of \$583,742 at June 30, 2021. The fair value of the School Board's position is the same as the fair value of its share of the pooled assets.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 2. Cash and Cash Equivalents and Investments (Continued)

Investments (Continued)

In addition, the School Board maintains a \$275,000 certificate of deposit, with a maturity of less than one year, pledged as collateral for workers' compensation insurance, which is included in cash and cash equivalents on the statement of net position.

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the School Board's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent, but not held in the School Board's name. The investments of the School Board owned at June 30, 2021 were not subject to custodial credit risk.

The School Board's investment policy limits the School Board's investments to U.S. Treasury bills and notes, certificates of deposit, time deposits with domestic banks, and investments in LAMP.

The School Board's investments in LAMP are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form. LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local governments 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities and any other investments allowed by state statute. The Standard & Poor's fund rating for LAMP is AAA+ indicating a superior capacity to maintain principal value and limit exposure to losses. LAMP issues a publicly-available financial report that can be obtained at www.lamppool.com.

Disclosures Relating to Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School Board has no formal policy relating to a specific interest rate risk; however, one of the ways that the School Board manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 2. Cash and Cash Equivalents and Investments (Continued)

Investments (Continued)

As of June 30, 2021, the School Board had the following investments:

Investment	Maturity	Fair Value
LAMP	90-Day Average	\$ 583,742
Total		<u>\$ 583,742</u>

In accordance with its investment policy, the School Board manages its exposure to declines in fair values by limiting the weighted average of its maturity of its investment portfolio to less than one year.

Note 3. Ad Valorem Taxes

Advance Tax Payments

The School Board and other taxing districts in St. John the Baptist Parish entered into an agreement with Marathon Petroleum Company LP (Marathon) whereas in exchange for advance payments made on December 19, 2019 and January 13, 2020 totaling \$20,000,000 in ad valorem taxes, Marathon receives credit against future ad valorem tax liabilities as set forth in R.S. 47:2138(B). The School Board's portion of the advance tax payments totaled \$6,417,257 which is recorded as advance tax payments on the governmental funds balance sheet and will be recognized as revenue as the credits are utilized. For the year ended June 30, 2021, \$1,283,451 was recognized as revenue.

Ad Valorem Taxes

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 3. Ad Valorem Taxes (Continued)

Ad Valorem Taxes (Continued)

The following is a summary of authorized and levied ad valorem taxes for the fiscal year ended June 30, 2021 (calendar year 2020 assessments):

Ad Valorem Taxes Levied	Millage Authorized	Millage Levied	Expiration Date
Parish-Wide Taxes			
Constitutional	3.65	3.65	None
Maintenance and Operations	4.33	4.33	2023
Health	10.12	10.12	2025
Salaries and Benefits	8.23	8.23	2023
Improvement	2.98	2.98	2024
Bonded Debt	10.00	10.00	2023

Ad valorem taxes are attached as an enforceable lien of property as of January 1st of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31st. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed.

Note 4. Due from Other Governments

At June 30, 2021, due from other governments consisted of:

Class of Receivables	General	Other Federal Programs	Non-Major Governmental	Total
State	\$ 749,250	\$ -	\$ -	\$ 749,250
Federal	-	5,326,655	1,721,478	7,048,133
Total	\$ 749,250	\$ 5,326,655	\$ 1,721,478	\$ 7,797,383

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 5. Capital Assets

A summary of changes in capital assets for the 2021 fiscal year is as follows:

Governmental Activities	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 23,638	\$ -	\$ (23,638)	\$ -
Land	3,425,339	-	-	3,425,339
Total Capital Assets, Not Being Depreciated	3,448,977	-	(23,638)	3,425,339
Capital Assets, Being Depreciated				
Buildings and Improvements	180,860,938	-	-	180,860,938
Furniture and Equipment	8,387,700	270,256	-	8,657,956
Total Capital Assets, Being Depreciated	189,248,638	270,256	-	189,518,894
Less Accumulated Depreciation for:				
Buildings and Improvements	72,710,839	6,543,889	-	79,254,728
Furniture and Equipment	6,669,924	452,869	-	7,122,793
Total Accumulated Depreciation	79,380,763	6,996,758	-	86,377,521
Capital Assets Being Depreciated, Net	109,867,875	(6,726,502)	-	103,141,373
Capital Assets, Net	\$113,316,852	\$ (6,726,502)	\$ (23,638.00)	\$106,566,712

Depreciation expense was charged to functions/programs of the School Board for the year ended June 30, 2021 as follows:

Function/Program	Amount
Instruction	\$ 4,226,088
Support Services	2,770,670
Total Depreciation Expense	\$ 6,996,758

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 6. Accounts, Salaries, and Other Payables

The following is a summary of accounts, salaries, and other payables as of June 30, 2021:

Class of Payables	General	Other Federal Programs	Non-Major Governmental	Total
Accounts Payable	\$ 4,471,470	\$ 150,812	\$ 175,426	\$ 4,797,708
Accrued Salaries and Benefits	6,919,381	57,925	71,366	7,048,672
Total	\$ 11,390,851	\$ 208,737	\$ 246,792	\$ 11,846,380

Note 7. Interfund Receivables and Payables

Interfund Receivables/Payables

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered to meet current operational needs and are expected to be repaid within one year. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds, but are eliminated in the GWFS. Any residual balances outstanding between governmental activities and business-type activities are reported in the GWFS as internal balances.

Individual fund interfund receivables and payables balances at June 30, 2021 reported on the fund financial statements were as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 11,200,934	\$ 4,019,367
Other Federal Programs Fund	-	4,653,020
Sinking Fund III	916,672	-
Construction Projects II Fund	3,102,695	
Non-Major Governmental Funds	-	3,797,227
Custodial Fund		
Sales Tax	-	2,750,687
Total	\$ 15,220,301	\$ 15,220,301

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 7. Interfund Receivables and Payables

Interfund Transfers

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. Interfund transfers at June 30, 2021 were as follows:

	Transfers In	Transfers Out
Governmental Activities		
General Fund	\$ -	\$ 563,149
Other Federal Programs Fund	565,169	-
Construction Projects II Fund	-	392,122
Non-Major Governmental Funds	390,102	-
Total	\$ 955,271	\$ 955,271

Note 8. Long-Term Obligations

General obligation bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued over the years for the purpose of constructing and acquiring capital assets and are to be repaid by the levy of dedicated ad valorem taxes.

Sales tax bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued for the purpose of making capital improvements to the School Board and are payable from the dedication of one-third ($\frac{1}{3}$) of the special one percent (1%) sales and use tax now being levied and collected in the Parish.

The following is a summary of the long-term liability transactions for the year ended June 30, 2021:

Governmental Activities	June 30, 2020	Additions	Reductions	June 30, 2021	Due Within One Year
Bonds Payable					
General Obligation Bonds - Direct Placements	\$ 31,234,616	\$ -	\$ (2,302,692)	\$ 28,931,924	\$ 2,097,692
General Obligation Bonds - Other	30,335,000	-	(1,780,000)	28,555,000	1,860,000
Sales Tax Bonds Unamortized	10,840,000	-	(780,000)	10,060,000	820,000
Bond Premium	706,512	-	(69,403)	637,109	-
Other Liabilities					
Claims Payable	3,542,148	2,225,046.00	(1,704,463)	4,062,731	1,712,441
Compensated Absences	2,632,407	2,778,727	(2,766,154)	2,644,980	164,466
Net Pension Liability	82,441,598	14,307,516	-	96,749,114	-
OPEB Liability	98,374,083	-	(34,016,715)	64,357,368	-
Governmental Activities Long-Term Liabilities	\$ 260,106,364	\$ 19,311,289	\$ (43,419,427)	\$ 235,998,226	\$ 6,654,599

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 8. Long-Term Obligations (Continued)

The reductions - payments and retirements - are reflected in the statement of revenues, expenditures, and changes in fund balances - governmental funds. The bond and note reductions totaling \$4,862,692 of principal payments are included under the caption "Principal Retirement." The reduction in compensated absences is included in payroll which is allocated among all of the functions.

The current portion of the compensated absences is based on expected retirements in 2022. Compensated absences and other postemployment benefits are liquidated by the General Fund and Special Revenue Funds.

The following schedule shows the changes in general obligation bonds, sales tax bonds, and certificates of indebtedness, the outstanding balance of the bonds and certificates of indebtedness at June 30, 2021, and the total future interest due on the bonds:

Bond	Bond Issue Date	Original Issue	Interest Rates	Final Payment Due	Principal Outstanding	Interest to Maturity
<u>General Obligation Bonds - Direct Placements</u>						
Series 2012	08/30/12	\$ 3,800,000	1.98%	03/01/22	\$ 335,000	\$ 6,633
Series 2016	05/18/16	6,845,000	2.08%	03/01/29	5,450,000	530,651
Series 2017	05/25/17	11,515,000	2.40%	03/01/29	10,070,000	1,126,320
QSCB 2011	01/26/11	10,000,000	1.10%	01/26/26	10,000,000	250,000
QZAB 2017	10/01/17	4,000,000	0.00%	09/16/30	3,076,924	-
<u>General Obligation Bonds - Other</u>						
Series 2011	11/01/11	8,000,000	2.00% - 3.38%	03/01/31	5,090,000	959,494
Series 2013	01/09/13	11,600,000	2.00% - 5.00%	03/01/32	7,880,000	1,452,250
Series 2014	06/01/14	10,180,000	2.00% - 4.00%	03/01/34	7,500,000	1,927,594
Series 2015	06/11/15	10,380,000	3.00% - 4.00%	03/01/35	8,085,000	2,352,544
Total General Obligation Bonds					<u>57,486,924</u>	<u>8,605,486</u>
<u>Sales Tax Bonds</u>						
Series 2006	09/01/06	18,100,000	4.10% - 7.00%	04/01/31	580,000	153,568
Series 2015	05/14/15	12,905,000	2.00% - 5.00%	04/01/31	9,480,000	1,974,125
Total Sales Tax Bonds					<u>10,060,000</u>	<u>2,127,693</u>
Total Bonds					<u>\$ 67,546,924</u>	<u>\$ 10,733,179</u>

Bond principal and interest payable in the next fiscal year total \$6,471,854. Interest paid and bank charges in the current fiscal year on general obligation bonds and sales tax bonds amounted to \$1,860,924.

At June 30, 2021, the School Board accumulated \$9,655,497 in the Debt Service Funds for the future retirement of General Obligation and Sales Tax Bonds.

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2021, the statutory limit is \$294,879,067, resulting in a legal debt margin of \$227,392,143.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 8. Long-Term Obligations (Continued)

The School Board is in compliance with all significant limitations and restrictions as set forth in the individual bond indentures.

Total future principal and interest on bonds payable are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
<u>General Obligation Bonds - Direct Placements</u>			
2022	\$ 2,097,692	\$ 412,218	\$ 2,509,910
2023	2,367,692	365,956	2,733,648
2024	2,152,692	325,069	2,477,761
2025	2,207,692	282,804	2,490,496
2026	12,277,692	239,281	12,516,973
2027 - 2031	7,828,464	288,276	8,116,740
Subtotal	28,931,924	1,913,604	30,845,528
<u>General Obligation Bonds - Other</u>			
2022	\$ 1,860,000	\$ 914,375	\$ 2,774,375
2023	1,940,000	852,588	2,792,588
2024	2,030,000	793,538	2,823,538
2025	2,120,000	732,856	2,852,856
2026	2,215,000	688,556	2,903,556
2027 - 2031	12,620,000	2,269,392	14,889,392
2032 - 2035	5,770,000	440,577	6,210,577
Subtotal	28,555,000	6,691,882	35,246,882
<u>Sales Tax Bonds</u>			
2022	\$ 820,000	\$ 367,569	\$ 1,187,569
2023	860,000	330,726	1,190,726
2024	910,000	292,088	1,202,088
2025	945,000	262,088	1,207,088
2026	985,000	231,913	1,216,913
2027 - 2031	5,540,000	643,309	6,183,309
Subtotal	10,060,000	2,127,693	12,187,693
Total	\$ 67,546,924	\$ 10,733,179	\$ 78,280,103

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 9. Fund Balance

The following illustrates the specific purposes of each classification of fund balance in the financial statements:

	General Fund	Other Federal Programs Fund	Sinking III Fund	Construction Projects II	Non-Major Governmental Funds	Total
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 141,518	\$ 141,518
Prepays	1,036,052	-	-	-	-	1,036,052
Restricted:						
Special Revenue	-	-	-	-	395,594	395,594
Capital Projects	-	-	-	6,045,856	625	6,046,481
Debt Service	-	-	10,419,279	-	-	10,419,279
Assigned:						
Retiree Obligations	583,742	-	-	-	-	583,742
Workers' Compensation	275,000	-	-	-	-	275,000
Emergency Reserve	2,000,000	-	-	-	-	2,000,000
Unassigned	2,919,892	-	-	-	(1,009,438)	1,910,454
Total	\$ 6,814,686	\$ -	\$ 10,419,279	\$ 6,045,856	\$ (471,701)	\$ 22,808,120

Note 10. Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The School Board established a self-insurance program recorded in the government-wide financial statements to account for and finance its uninsured risk of loss as described below. No claim settlements in the past three years exceeded insurance coverage. Premiums are paid by the General Fund. Other funds are charged at the time of occurrence of the claim payment. The amounts of claim liabilities that are accrued are based on data as provided by a third-party administrator.

Workers' Compensation Insurance

The School Board has a self-insurance program for workers' compensation whereby the School Board is exposed to losses relating to any potential claim for up to \$300,000 per occurrence and \$1,000,000 in the aggregate. The statement of net position reports the claims expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The claims liability at June 30, 2021 totaled \$2,993,715.

The School Board has a certificate of deposit totaling \$275,000, which is held in trust at a local bank for the Office of Workers' Compensation as collateral for potential claims against the School Board. This certificate is included in cash equivalents.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 10. Risk Management (Continued)

General Liability and Automobile Insurance

As of June 30, 2021, the School Board is insured for up to \$3,000,000 or \$1,000,000 per occurrence. The amount of the insurance deductible is \$50,000 per occurrence with no limit in aggregate, for public entity general liability and automobile (fleet) liability. The claims liability at June 30, 2021 totaled \$1,069,016. The changes in claims liability amounts were as follows for the fiscal years ended June 30, 2019, 2020, and 2021:

	Liability June 30, 2020	Claims and Changes in Estimates	Payments	Liability June 30, 2021
Workers' Compensation				
2018 - 2019	\$ 1,374,777	\$ 936,078	\$ (934,157)	\$ 1,376,698
2019 - 2020	1,376,698	2,612,387	(1,012,312)	2,976,773
2020 - 2021	2,976,773	1,229,512	(1,212,570)	2,993,715
Property Damage and Automotive Liability				
2018 - 2019	\$ 427,383	\$ 707,913	\$ (29,849)	\$ 1,105,447
2019 - 2020	1,105,447	(352,152)	(187,920)	565,375
2020 - 2021	565,375	995,534	(491,893)	1,069,016
Total				
2018 - 2019	\$ 1,802,160	\$ 1,643,991	\$ (964,006)	\$ 2,482,145
2019 - 2020	2,482,145	2,260,235	(1,200,232)	3,542,148
2020 - 2021	3,542,148	2,225,046	(1,704,463)	4,062,731

Changes in estimates are included in general administration expenditures. There were no significant reductions in insurance coverage during the 2020 - 2021 fiscal year.

Note 11. Defined Benefit Pension Plans

General Information about the Pension Plans

Plan Descriptions

Substantially all employees of the School Board are provided with pensions through cost-sharing, multiple-employer defined benefit pension plans administered by the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS), both of which are administered on a statewide basis. The authority to establish and amend the benefit terms of TRSL and LSERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL and LSERS each issue publicly available financial reports that can be obtained at www.trsl.org and www.lasers.net, respectively.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided

TRSL

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit, and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate 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 service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate 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% accrual rate 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.

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.

Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

A retiring member is entitled to receive the maximum 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 as a lump sum that can't 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.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided(Continued)

TRSL (Continued)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility. 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 on the account balance.

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have 5 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.

A surviving spouse with minor children of an active member with 5 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 age 18, 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.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

TRSL (Continued)

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of 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.

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.

LSERS

LSERS provides retirement, deferred retirement option, disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide, a 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 enrolled after June 30, 2010. All temporary, seasonal, and part-time employees as defined in federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

LSERS (Continued)

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by R.S. 11:1141-11:1153. 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. 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, limited to 100% of final average compensation, plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 $\frac{1}{3}$ % 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 plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement, and has become totally and permanently disabled and is certified as disabled by the State Medical Disability Board. A member who joins the system on or after July 1, 2006 must have at least 10 years of service to qualify for disability benefits. Upon the death of a member with 5 or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, 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.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

LSERS (Continued)

Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. 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 Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with R.S. 11:1152 (E)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the State Legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit, or Option 4 benefit. 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 the IBRP account are made in accordance with R.S. 11:1152(F)(3).

Contributions

TRSL

The employer contribution rate is established annually under R.S. 11:101-11:104 by the Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of 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 rates in effect during the fiscal year ended June 30, 2021 are as follows:

2021 TRSL Sub Plan	Contributions	
	Employee	Employer
K - 12 Regular Plan	8.0%	25.8%
Plan A	9.1%	25.8%
Plan B	5.0%	25.8%

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions (Continued)

TRSL (Continued)

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

Contributions to TRSL from the School Board were \$10,093,748 for the year ended June 30, 2021.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. 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 State Constitution. The actuarial required contribution rate for June 30, 2020 was 26.7%. The actual employer rate for the year ended June 30, 2021 was 28.7%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to LSERS from the School Board were \$1,011,830 for the year ended June 30, 2021.

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

The net pension liabilities were measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to TRSL relative to the projected contributions of all participating employers, actuarially determined. The School Board's proportion of the net pension liability for LSERS was based on the School Board's historical contributions.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020, and the change compared to the June 30, 2019 proportion:

	Net Pension Liability at June 30, 2020	Rate at June 30, 2020	Increase on June 30, 2019 Rate
TRSL	\$ 86,760,956	0.7800%	0.0322%
LSERS	<u>9,988,158</u>	1.2431%	0.0681%
	<u><u>\$ 96,749,114</u></u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2021.

	Pension Expense	Amortization	Total
TRSL	\$ 8,978,405	\$ 650,397	\$ 7,951,425
LSERS	<u>1,421,157</u>	<u>66,791</u>	<u>1,256,951</u>
	<u><u>\$ 10,399,562</u></u>	<u><u>\$ 717,188</u></u>	<u><u>\$ 9,208,376</u></u>

At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between Expected and Actual Experience	\$ -	\$ -	\$ -	\$ 245,873	\$ 1,392,706	\$ 1,638,579
Changes of Assumptions	59,522	5,161,417	5,220,939	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,520,784	6,697,429	8,218,213	-	-	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	304,121	6,331,325	6,635,446	114,131	827,344	941,475
Employer Contributions Subsequent to the Measurement Date	<u>1,011,830</u>	<u>10,093,748</u>	<u>11,105,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 2,896,257</u></u>	<u><u>\$ 28,283,919</u></u>	<u><u>\$ 31,180,176</u></u>	<u><u>\$ 360,004</u></u>	<u><u>\$ 2,220,050</u></u>	<u><u>\$ 2,580,054</u></u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2022. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
TRSL	\$ 10,093,748
LSERS	<u>1,011,830</u>
Total	<u><u>\$ 11,105,578</u></u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amortization Amounts		
	TRSL	LSERS	Total
2022	\$ 2,710,934	\$ 148,362	\$ 2,859,296
2023	4,841,803	566,567	5,408,370
2024	5,000,916	461,739	5,462,655
2025	3,416,468	347,755	3,764,223
Total	<u><u>\$ 15,970,121</u></u>	<u><u>\$ 1,524,423</u></u>	<u><u>\$ 17,494,544</u></u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows:

	TRSL	LSERS
Valuation Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	N/A	Closed
Actuarial Assumptions:		
Expected Remaining Service Lives	5 Years	3 Years
Investment Rate of Return	7.45%, net of investment expense	7.00%, net of investment expense, including inflation
Inflation Rate	2.30% per annum	2.50% per annum
Projected Salary Increases	3.1% - 4.6% (varies depending on duration of service)	2013 - 2017 experience study, 3.25%
Cost-of-Living Adjustments	None	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 do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Active Members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled Retiree/Inactive Members - RP- 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability Retiree Mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP- 2017 generational mortality improvement tables.	RP-2014 Healthy Annuitant Table, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Mortality Table,
Termination, Disability, Retirement	Projected based on a five-year (2012 - 2017) experience study	Projected based on a five-year (2012 - 2017) experience study

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions (Continued)

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

TRSL	LSERS
<p>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 and an adjustment for the effect of rebalancing/diversification.</p>	<p>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.</p>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions (Continued)

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2020:

Asset Class	Target Asset Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic Equity	27.00%	39.00%	4.60%	2.82%
International Equity	19.00%	0.00%	5.54%	0.00%
Domestic Fixed Income	13.00%	26.00%	0.69%	0.92%
International Fixed Income	5.50%	0.00%	1.50%	0.00%
Alternative Investments	0.00%	23.00%	0.00%	1.95%
Private Equity	25.50%	0.00%	0.00%	0.00%
Other Private Assets	10.00%	0.00%	4.45%	0.00%
Real Assets	0.00%	12.00%	0.00%	0.69%
Total	100.00%	100.00%	N/A	6.38%
International Fixed Income				<u>2.00%</u>
Expected Arithmetic Nominal Return				<u>8.38%</u>

N/A - Amount not Provided by Retirement System

Discount Rate

The discount rates used to measure the total pension liability for TRSL and LSERS were 7.45% and 7.00%, respectively, for the year ended June 30, 2020. The discount rates decreased 0.10% for TRSL from the discount rates used for the year ended June 30, 2019.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were 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.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the School Board's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
School Board's Proportionate Share of the LSERS Net Pension Liability	\$ 13,083,008	\$ 9,988,158	\$ 7,341,259
School Board's Proportionate Share of the TRSL Net Pension Liability	113,259,100	86,760,956	64,454,676

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 its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2021, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$336,567 for its participation in TRSL. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2021.

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for TRSL and LSERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: www.lla.la.gov.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Payables to the Pension Plan

As of June 30, 2021, the School Board had payables due to the pension plans totaling \$3,362,330. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

	Payables
TRSL	\$ 3,169,647
LSERS	<u>192,683</u>
Total	<u>\$ 3,362,330</u>

Note 12. Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (DROP 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 hired on and after January 1, 2011 may not retire prior to age 60 without actuarial reduction in benefits.

The basic life insurance amounts plus the supplemental amount can be continued after retirement. The employer pays for all of the basic and 50% of the supplemental insurance amounts, but based on blended rates. Life insurance amounts are reduced by 50% at age 70.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 12. Other Postemployment Benefits (OPEB) (Continued)

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	566
Active Plan Members	<u>736</u>
Total	<u><u>1,302</u></u>

Total OPEB Liability

The School Board's total OPEB liability of \$64,357,368 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary Increases	3.0%, including inflation
Discount Rate	2.16% annually, (as of end of year measurement date)
Healthcare Cost Trend Rates	5.5%% annually for 10 years; 4.5% thereafter
Mortality	SOA RP-2014 table without projection

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2021.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 12. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability

Changes in the total OPEB liability for the year ended June 30, 2021 were as follows:

Balances at July 1, 2020	\$ 98,374,083
Changes for the Year	
Service Cost	2,429,655
Interest Cost	2,200,915
Increase due to Differences between Expected and Actual Experience	(59,473,678)
Changes of Assumptions	23,623,402
Benefit Payments and Net Transfers	<u>(2,797,009)</u>
Net Changes for the Year	<u>(34,016,715)</u>
Balance as of June 30, 2021	<u>\$ 64,357,368</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	1.0% Decrease (1.16%)	Discount Rate (2.16%)	1.0% Increase (3.16%)
Total OPEB Liability	<u>\$ 75,798,636</u>	<u>\$ 64,357,368</u>	<u>\$ 55,314,023</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	<u>\$ 55,292,352</u>	<u>\$ 64,357,368</u>	<u>\$ 75,791,715</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 12. Other Postemployment Benefits (OPEB) (Continued)

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

For the year ended June 30, 2021, the School Board recognized OPEB expense of \$6,856,860. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,474,115	\$ 58,217,920
Change in Assumptions	33,634,514	2,303,711
Total	\$ 35,108,629	\$ 60,521,631

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

Year Ending June 30,	Amount
2022	\$ (2,818,925)
2023	(2,818,925)
2024	(2,818,925)
2025	(5,612,571)
2026	(5,612,571)
Thereafter	(5,731,085)

Note 13. Commitments and Contingencies

At June 30, 2021, the School Board was a defendant in various lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at the estimate, if any, of the amount or range of potential claims and lawsuits that have been categorized into "probable," "reasonably possible", or "remote," as defined by the GASB Codification C50.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 13. Commitments and Contingencies (Continued)

Amounts of claims classified as "probable" have been accrued as claims payable, as explained in Note 10. It is the opinion of the School Board, after conferring with legal counsel for the School Board, that several of the potential claims against the School Board, while not classified as "probable," do have the reasonable possibility of an unfavorable outcome, which have also been accrued as claims payable.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts, if any, to be immaterial.

Note 14. Sales Tax Collections

The School Board collects five and a quarter percent (5.25%) in sales and use tax. The sales and use tax is collected by an independent contractor, who is contracted through the School Board and serves as its sales tax collector. The School Board's costs of collecting the funds are shared proportionally by the Parish Council, the Sheriff's Department, and the School Board. The sales and use tax distributed, on a cash basis, for the year ended June 30, 2021 was as follows:

	Tax Rate	Total Collections	Collection Fees	Final Distribution
School Board	2.50%	\$ 23,774,700	\$ 492,693	\$ 23,282,007
Parish Council	2.25%	20,329,897	421,297	19,908,600
Sheriff's Department	0.50%	4,756,381	98,576	4,657,805
Total	5.25%	\$ 48,860,978	\$ 1,012,566	\$ 47,848,412

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

Notes to the Basic Financial Statements

Note 15. Tax Abatements

The Industrial Tax Exemption Program (ITEP) is a full, 100% exemption from local ad valorem (property) taxes as authorized in the Louisiana Constitution of 1974, Article VII, Part 2, Section 21(F), as amended by the Governor's Executive Order No. JBE 2016-26. Participating companies are eligible to receive an initial five (5) year exemption, plus the opportunity for a five (5) year renewal, for a total of (10) years of full exemption from local property taxes. The program is available only to manufacturers. The exemption applies to all improvements to land, buildings, machinery, equipment, and any other property that is part of the manufacturing process. Maintenance capital (i.e., property replacements and refurbishments) is also eligible for the exemption. The land on which the manufacturing establishment is located is not eligible for the exemption. An advance notification of intent to apply for the tax exemption is filed with the Louisiana Office of Economic Development (LED), Office of Business Development. The LED then presents the application to the Louisiana Board of Commerce and Industry for review and approval. The applicant files an annual report with the Parish Assessor listing the exempted property so that it may be separately listed on the tax rolls. While the ITEP program is still available and being used, the recent Governor's Executive Order has placed several limitations and new criteria on the ITEP program until the statute could be revisited.

As of June 30, 2021, four industrial companies located in St. John the Baptist Parish are currently under the Industrial Tax Exemption Program. The typical term of these agreements is for 10 years, and provided ad valorem tax abatement during the year ended June 31, 2021 in the amount of \$3,546,632.

The LED has not made any commitments as part of the agreements other than to reduce taxes. The School Board is not subject to any tax abatement agreements entered into by other governmental entities other than the LED.

Note 16. Subsequent Events

On August 29, 2021, Hurricane Ida made landfall on the Louisiana coast, causing extensive damage throughout southeast Louisiana. As a result, the School Board experienced significant damage to school buildings and facilities across the Parish. The gross value of damages is estimated at approximately \$41 million. Property insurance maintained by the School Board is expected to cover approximately \$22 million of the total damage costs, with the School Board retaining responsibility for the remaining \$19 million. The School Board intends to seek reimbursement for this amount from a federal agency.

On October 14, 2021, the School Board approved initial action to proceed with revenue bond financing in an amount not to exceed \$30,000,000 in order to fund a portion of the costs of hurricane damage demolition, repair, reconstruction, renovation, restoration, and improvement of its facilities.

On April 30, 2022, voters of the Parish approved a proposition to incur debt and to issue bonds not exceeding \$58,000,000 which will be payable from ad valorem taxes.

REQUIRED SUPPLEMENTARY INFORMATION

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**
**Schedule of Changes in the School Board's
Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2021**

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 2,429,655	\$ 1,713,191	\$ 1,734,506	\$ 1,674,311
Interest	2,200,915	2,841,125	3,189,888	2,936,205
Differences between Expected and Actual Experience	(59,473,678)	(3,300,358)	(7,890,401)	2,316,466
Changes of Assumptions	23,623,402	17,268,590	4,537,095	(3,620,116)
Benefit Payments	(2,797,009)	(2,646,910)	(2,997,387)	(2,798,050)
Net Change in OPEB Liability	(34,016,715)	15,875,638	(1,426,299)	508,816
Total OPEB Liability, Beginning	98,374,083	82,498,445	83,924,744	83,415,928
Total OPEB Liability, Ending	<u>\$ 64,357,368</u>	<u>\$ 98,374,083</u>	<u>\$ 82,498,445</u>	<u>\$ 83,924,744</u>
Covered-Employee Payroll	\$ 30,333,902	\$ 33,117,946	\$ 31,844,179	\$ 32,547,947
Net OPEB Liability as a Percentage of Covered-Employee Payroll	212.16%	297.04%	259.07%	257.85%

Notes to Schedule:

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of School Board's Proportionate Share
of the Net Pension Liability
For the Year Ended June 30, 2021**

For the Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teacher's Retirement System of Louisiana					
2021	0.779970%	\$ 86,760,956	\$ 38,546,217	225%	65.60%
2020	0.747787%	74,215,242	37,834,666	196%	68.60%
2019	0.754061%	74,109,265	36,080,046	205%	68.20%
2018	0.714060%	73,204,349	33,652,839	218%	65.60%
2017	0.716570%	84,103,727	33,637,627	250%	59.90%
2016	0.738248%	79,378,471	34,972,099	227%	62.50%
2015	0.756970%	77,373,190	34,577,664	224%	63.70%
Louisiana School Employees' Retirement System					
2021	1.243148%	\$ 9,988,158	\$ 3,544,329	282%	69.67%
2020	1.175090%	8,226,356	3,654,394	225%	73.50%
2019	1.228161%	8,205,802	3,453,933	238%	74.40%
2018	1.215070%	7,775,561	3,473,701	224%	75.00%
2017	1.175494%	8,867,307	3,341,768	265%	70.09%
2016	1.178312%	7,471,995	3,327,727	225%	74.49%
2015	1.161828%	6,734,956	3,209,158	210%	76.18%

Notes to Schedule:

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

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of School Board's Contributions
for Pension Plans
For the Year Ended June 30, 2021**

For the Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
Teacher's Retirement System of Louisiana					
2021	\$ 10,093,748	\$ 10,093,748	\$ -	\$ 39,124,054	25.8%
2020	10,021,984	10,021,984	-	38,546,217	26.0%
2019	10,099,075	10,099,075	-	37,834,666	26.7%
2018	9,597,292	9,597,292	-	36,080,046	26.6%
2017	8,614,228	8,614,228	-	33,652,839	25.6%
2016	8,875,031	8,875,031	-	33,637,627	26.4%
2015	9,815,139	9,815,139	-	34,972,099	28.1%
2014	9,405,124	9,405,124	-	34,577,664	27.2%
Louisiana School Employees' Retirement System					
2021	\$ 1,011,830	\$ 1,011,830	\$ -	\$ 3,544,529	28.5%
2020	1,074,392	1,074,392	-	3,654,394	29.4%
2019	967,712	967,712	-	3,453,933	28.0%
2018	967,999	967,999	-	3,507,243	27.6%
2017	949,605	949,605	-	3,473,701	27.3%
2016	1,009,214	1,009,214	-	3,341,768	30.2%
2015	1,084,845	1,084,845	-	3,287,409	33.0%
2014	1,036,558	1,036,558	-	3,209,158	32.3%

Notes to Schedule:

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Budgetary Comparison Schedules
Major Fund Descriptions
General Fund and Major Special Revenue Funds
with Legally Adopted Annual Budgets
For the Year Ended June 30, 2021**

GENERAL FUND

The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Other Federal Programs Fund - The Other Federal Programs Fund is a used to account for all federal programs except for the Child Nutrition Program, Title I, and Title II. The main revenue sources are the Federal Emergency Management Agency, Individuals with Disabilities Education Act, IDEA Preschool, and Headstart.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local Sources	\$ 47,650,646	\$ 47,650,646	\$ 37,866,266	\$ (9,784,380)
State Sources	30,650,782	30,650,782	29,390,459	(1,260,323)
Total Revenues	78,301,428	78,301,428	67,256,725	(11,044,703)
Expenditures				
Current:				
Instruction	43,734,397	43,734,397	41,663,436	2,070,961
Support Services	31,819,822	31,819,822	28,453,925	3,365,897
Capital Outlay	-	-	8,701	(8,701)
Debt Service:				
Principal Retirement	-	-	307,692	(307,692)
Interest and Bank Charges	-	-	22,460	(22,460)
Total Expenditures	75,554,219	75,554,219	70,456,214	5,098,005
Excess (Deficiency) of Revenues Over Expenditures	2,747,209	2,747,209	(3,199,489)	(5,946,698)
Other Financing Sources (Uses)				
Transfers Out	-	-	(563,149)	(563,149)
Total Other Financing Sources (Uses)	-	-	(563,149)	(563,149)
Net Change in Fund Balance	2,747,209	2,747,209	(3,762,638)	(6,509,847)
Fund Balance, Beginning	11,043,061	11,043,061	10,577,324	(465,737)
Fund Balance, Ending	\$ 13,790,270	\$ 13,790,270	\$ 6,814,686	\$ (6,975,584)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Budgetary Comparison Schedule
Other Federal Programs Special Revenue Fund
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Other Sources	\$ 788,597	\$ 788,597	\$ -	\$ (788,597)
Federal Sources	11,955,388	11,955,388	10,227,037	(1,728,351)
Total Revenues	12,743,985	12,743,985	10,227,037	(2,516,948)
Expenditures				
Current:				
Instruction	12,743,985	12,743,985	10,342,645	2,401,340
Support Services	-	-	205,956	(205,956)
Capital Outlay	-	-	243,605	(243,605)
Total Expenditures	12,743,985	12,743,985	10,792,206	1,951,779
Excess (Deficiency) of Revenues Over Expenditures	-	-	(565,169)	(565,169)
Other Financing Sources (Uses)				
Transfers In	-	-	565,169	565,169
Total Other Financing Sources (Uses)	-	-	565,169	565,169
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Notes to Required Supplementary Information
For the Year Ended June 30, 2021**

Note 1. Budgetary Basis of Accounting

Budgets for the General Fund and Special Revenue Funds are legally adopted by the School Board on a basis consistent with generally accepted accounting principles.

Note 2. Retirement Systems

Changes of Assumptions

Teachers' Retirement System of Louisiana For actuarial valuation for the year ended June 30, 2020, the discount rate decreased from 7.55% to 7.45%.

OTHER SUPPLEMENTARY INFORMATION

**COMBINING NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Non-Major Funds
Fund Descriptions

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Improving America's Schools Act (Title I) Fund - Title I is a program to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state and local content standards and to meet the challenging state and local performance standards developed for all children. This fund also includes activity for the Title II and Title III programs.

School Lunch/Breakfast Fund - The School Lunch/Breakfast Fund accounts for the operation of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately-priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

Student Activities – The Student Activities fund accounts for funds received and incurred at each school.

NON-MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Separate capital projects funds are maintained to account for the proceeds of major general obligation bonds and other financing proceeds.

Capital Projects III Fund - Prior to July 18, 1992, this fund was used to account for the proceeds and use of a special property tax levy dedicated to capital acquisition and improvements. Subsequent to July 18, 1992, this fund is used to account for the proceeds and use of certain General Obligation Bonds being issued for the purpose of acquiring and/or improving land for building sites and playgrounds and acquiring the necessary equipment and furnishings.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Non-Major Funds
Fund Descriptions (Continued)**

NON-MAJOR DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service fund.

Sinking Fund II - This fund was established to meet the requirements of the bond ordinances and is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Non-Major Governmental Funds
Combining Balance Sheet - By Fund Type
June 30, 2021**

	Special Revenue Funds			Debt Service	Capital Projects	Total Non-Major Governmental Funds
	Improving America's Schools (Title I)	School Lunch/ Breakfast	Student Activities	Sinking Fund II	Construction Projects III Fund	
Assets						
Cash and Cash Equivalents	\$ -	\$ 15,363	\$ 395,594	\$ 1,183,849	\$ 239,516	\$ 1,834,322
Due from Other Governments	1,143,636	577,842	-	-	-	1,721,478
Inventory	-	141,518	-	-	-	141,518
Total Assets	\$ 1,143,636	\$ 1,312,565	\$ 395,594	\$ 1,183,849	\$ 239,516	\$ 4,275,160
Liabilities						
Accounts, Salaries and Other Payables	\$ 70,695	\$ 176,097	\$ -	\$ -	\$ -	\$ 246,792
Interfund Payables	1,072,941	537,764	-	1,947,631	238,891	3,797,227
Total Liabilities	1,143,636	713,861	-	1,947,631	238,891	4,044,019
Deferred Inflows of Resources						
Unavailable Revenues	-	125,000	-	-	-	125,000
Fund Balances						
Nonspendable	-	141,518	-	-	-	141,518
Restricted	-	-	395,594	-	625	396,219
Unassigned	-	(245,656)	-	(763,782)	-	(1,009,438)
Total Fund Balances	-	(104,138)	395,594	(763,782)	625	(471,701)
Total Liabilities and Fund Balances	\$ 1,143,636	\$ 734,723	\$ 395,594	\$ 1,183,849	\$ 239,516	\$ 3,697,318

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2021**

	Special Revenue Funds			Debt Service	Capital Projects	Total Non-Major Governmental Funds
	Improving America's Schools (Title I)	School Lunch/Breakfast	Student Activities	Sinking Fund II	Construction Projects III Fund	
Revenues						
Local Sources:						
Taxes						
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student Activities	-	-	592,972	-	-	592,972
Interest Earnings	-	1,731	-	1,249	625	3,605
Total Local Sources	-	1,731	592,972	1,249	625	596,577
State Sources						
Minimum Foundation Program	-	42,325	-	-	-	42,325
Total State Sources	-	42,325	-	-	-	42,325
Federal Sources	3,246,242	3,149,732	-	-	-	6,395,974
Total Revenues	3,246,242	3,193,788	592,972	1,249	625	7,034,876
Expenditures						
Instruction	2,797,336	-	615,384	-	-	3,412,720
Support Services	446,886	3,452,766	-	-	-	3,899,652
Capital Outlay	-	17,950	-	-	-	17,950
Debt Service						
Principal	-	-	-	780,000	-	780,000
Interest	-	-	-	398,938	-	398,938
Total Expenditures	3,244,222	3,470,716	615,384	1,178,938	-	8,509,260
Excess (Deficiency) of Revenues Over Expenditures	2,020	(276,928)	(22,412)	(1,177,689)	625	(1,474,384)
Other Financing Sources						
Transfers In	(2,020)	-	-	392,122	-	390,102
Total Other Financing Sources	(2,020)	-	-	392,122	-	390,102
Net Change in Fund Balances	-	(276,928)	(22,412)	(785,567)	625	(1,084,282)
Fund Balances, Beginning	-	172,790	-	21,785	-	194,575
Change in Accounting Principle	-	-	418,006	-	-	418,006
Fund Balance, Beginning (Restated)	-	172,790	418,006	21,785	-	612,581
Fund Balances, Ending	\$ -	\$ (104,138)	\$ 395,594	\$ (763,782)	\$ 625	\$ (471,701)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Compensation Paid to School Board Members
For the Year Ended June 30, 2021**

Board Member	Amount
Clarence G. Triche	\$ 9,600
Shawn Wallace, Vice-President	9,600
Sherry DeFrancesch	9,600
Gerald J. Keller	9,600
Albert Burl, III	9,600
Debra Schum	9,600
Charo Holden	9,600
Nia Mitchell, President	10,800
Patrick Sanders	9,600
Phillip Johnson	9,600
Keith Jones	9,600
Total	\$ 106,800

See independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2021

The schedule of compensation paid to the Superintendent is presented in compliance with Act 706 of the 2014 Regular Session of the Louisiana Legislature (R.S. 24:513(A)(3)). The Act requires total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer be reported.

Agency Head
Lynette Hookfin, Superintendent

Purpose	Amount
Salary	\$159,375
Benefits - Insurance	\$12,658
Benefits - Retirement	\$44,021
Benefits - Other	\$0
Car Allowance	\$11,250
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Dues	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

SINGLE AUDIT SECTION

**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**

Independent Auditor's Report

To the Board Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish School Board (the School Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated September 28, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described as item 2021-003 in the accompanying schedule of findings and questioned costs.

Responses to Findings

The School Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's responses and, accordingly, we express no opinion on them.

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 result 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
September 28, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

Report on Compliance for Each Major Federal Program

We have audited St. John the Baptist Parish School Board's (the School Board) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2021. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 to be material weaknesses.

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

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

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the other audit procedures applied in the audit of compliance, and , accordingly, we express no opinion on the response.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
September 28, 2022

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education:			
<u>Child Nutrition Cluster *:</u>			
Non-Cash Assistance			
National School Lunch Program	10.555	None	\$ 215,524
National School Lunch Program - Covid 19	10.555	None	427,704
National Breakfast Program	10.553	None	731,673
National School Lunch Program (Sections II and IV)	10.555	None	<u>1,759,686</u>
Total U.S. Department of Agriculture (Child Nutrition Cluster)			<u>3,134,587</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program - Administration for Children, Youth and Families -			
<u>Head Start Cluster:</u>			
Head Start	93.600	None	1,506,128
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant	93.575	28-17-22-48	76,286
Passed through Louisiana Department of Family Support:			
Temporary Assistance for Needy Families	93.558	28-17-36-48-344	<u>36,960</u>
Total U.S. Department of Health and Human Services			<u>1,619,374</u>
<u>U.S. Department of Education</u>			
Passed through Louisiana Department of Education:			
Career and Technical Education - Basic Grants to States	84.048	28-17-02-48-344	80,577
<u>Special Education Cluster:</u>			
Grants to States	84.027	20-18-B1-48	1,879,117
Preschool Grants	84.173	20-187-P1-48	<u>85,359</u>
Total Special Education Cluster			<u>1,964,476</u>
Improving America's School Act			
Title I - Grants to Local Educational Agencies	84.010	28-18-50-48-344	3,030,572
Supporting Effective Instruction State Grants	84.367	28-18-50-48-344	368,256
English Language Acquisition State Grants	84.365	28-15-60-48-344	29,172
Comprehensive Literacy Development	84.371	None	264,590
Student Support and Academic Enrichment Program	84.424	28-18-71-48	203,312
Education for Homeless Children and Youth	84.196	28-18-H1-48	17,136
Governor's Emergency Education Relief Fund - Covid 19 *	84.425C	S68810926.1920	1,394,356

See notes to schedule of expenditures of federal awards.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Education (Continued)</u>			
Elementary and Secondary School Emergency Relief *			
ESSER I Incentive - Covid 19	84.425D	U6810924.1920	154,537
ESSER I Formula - Covid 19	84.425D	U6810924.1920	1,022,218
ESSER II Formula - Covid 19	84.425D	U6810924.1920	<u>1,159,039</u>
			2,335,794
Passed through National Institute of Excellence in Teaching: Teacher and School Leader Incentive Funds *	84.374A	U374A160022	<u>1,625,449</u>
Total U.S. Department of Education			<u>11,313,690</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Disaster Grants - Public Assistance (Presidentially Public Assistance Grant - Covid-19 *	97.036	FEMA-DR-4484	<u>267,499</u>
Total U.S. Department of Homeland Security			<u>267,499</u>
Total Expenditures of Federal Awards			<u>\$ 16,335,150</u>

* Denotes major program.

See notes to schedule of expenditures of federal awards.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Note 1. General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the St. John the Baptist Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2021. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other government agencies. The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the notes to the basic financial statements of the School Board's Annual Financial Report. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the School Board. Consequently, timing differences between expenditures and program reimbursements may exist at the end of the year, resulting in differences between the expenditures reported on the schedule of expenditures of federal awards and the amount of revenues reported under federal sources on the statement of revenues, expenditures, and changes in fund balances.

Note 4. Loans

The School Board did not expend federal awards related to loans or loan guarantees during the year.

Note 5. Federally Funded Insurance

The School Board has no federally funded insurance.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards

- | | |
|---|------------|
| 3. Internal control over major programs | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| 4. Type of auditor's report issued on compliance for each major program | Unmodified |
| 5. Audit findings disclosed that are required in accordance with Section 2 CFR 200.516(a) | No |

6. Identification of major programs

<u>Program</u>	<u>Assistance Listing Number</u>
Child Nutrition Cluster	10.553/10.555
Teacher and School Leader Incentive Funds	84.374A
Education Stabilization	
Governor's Emergency Education Relief Fund	84.425C
Elementary and Secondary Emergency Relief Fund	84.425D
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

- | | |
|---|-----------|
| 7. Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 8. Auditee qualified as a low-risk auditee under 2 CFR 200.520 | No |

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

Part II. FINDINGS - FINANCIAL STATEMENT AUDIT

2021-001 Chief Financial Officer Vacancy

Criteria: The School Board should maintain proper staffing to ensure internal controls over financial reporting are maintained.

Condition: The School Board's chief financial officer position was vacant for the period from November 2020 through June 30, 2021. As a result, the School Board's reconciliations and accounting were not performed timely. Also, the School Board has not filed its payroll tax returns for the year ended June 30, 2021.

Effect: The vacancy in the chief financial officer position resulted in an internal control weakness.

Recommendation: The School Board should ensure an adequate amount of staffing remains in place to perform necessary and ongoing accounting functions and ensure that internal controls over financial reporting is maintained and account reconciliations are performed timely.

Management's Response Subsequent to June 30, 2021, the School Board filled the position of chief financial officer. The School Board contracted with a CPA firm to catch up reconciliations and accounting for the School Board

2021-002 Approval Process

Criteria: For internal controls to be effective, disbursements and related transactions should be approved by appropriate members of management.

Condition: In testing of disbursements and other transactions during the year ended June 30, 2021, we noted that invoices under \$5,000 do not require approval by management. While credit card transactions are matched to invoices by an accounting clerk, we noted that there is no signature approval required for the credit card statement. For payroll transactions, we noted that there was no documentation of management's review of the payroll check register prior to processing the payroll. We further noted that checks are electronically signed by the superintendent and board president. However, the electronic signatures were not current during the year ended June 30, 2021. We also noted that there is not currently a process for approval of bank reconciliations and statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021**

2021-002 Approval Process (Continued)

Effect: Transactions were not approved by an appropriate member of management.

Recommendation: The School Board should institute policies and procedures to ensure that disbursements, transactions, credit card statements, payroll check registers and bank statements and reconciliations are approved by an appropriate member of management.

Management's Response: Management will amend its policies and procedures to ensure that all transactions are approved by an appropriate member of management.

2021-003 Failure to Amend Budget (R.S. 39:1310)

Criteria: The School Board is required to follow the requirements of the Louisiana Local Government Budget Act at R.S. 39:1301 through 39:1315.

Condition: State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures and other financing uses exceed budgeted amounts by 5% or more. For the year ended June 30, 2021, the General Fund had revenues of \$67,256,725 which fell short of budgeted revenues of \$78,301,428 which resulted in an unfavorable variance of \$11,044,703, or 14%.

Cause: Unknown.

Effect: The School Board did not comply with all of the requirements of the Louisiana Local Government Budget Act as outlined above.

Recommendation: We recommend the monitoring of actual costs accumulated by department and fund more closely and making appropriate budget amendments to comply with the law requiring the budget to actual variance to be within 5%.

Management's Response: Management will review budget to actual comparisons and amend the budget when budgeted revenues are falling short of actual by more than 5%.

**Part III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

See findings 2021-001 and 2021-002 in previous section.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2021**

2020-001 Chief Financial Officer Vacancy

This finding was not resolved. See current year finding 2021-001.

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
RESERVE, LOUISIANA**

Agreed-Upon Procedures
R.S. 24:514 - Performance and Statistical Data

June 30, 2021



Contents	Schedule	Page
Independent Accountant's Report on Applying Agreed-Upon Procedures		1 - 3
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Schedules Required by Louisiana State Law (R.S. 24:514 - Performance and Statistical Data)		4
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	5
Class Size Characteristics	2	6
Management's Response		7

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board Members of
St. John the Baptist Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of St. John the Baptist Parish School Board (the School Board) for the year ended June 30, 2021. The School Board's management is responsible for its performance and statistical data.

The School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514.I. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

1. We selected a sample of 30 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

Results: No exceptions noted.

Class Size Characteristics (Schedule 2)

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 1st roll books for those classes and observed that the class was properly classified on the schedule.

Results: We were unable to perform the above procedure as the detail class size report was not available.

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

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

Results: We were unable to perform the above procedure as the October 1st PEP report was unavailable.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

Results: We were unable to perform the above procedure as the June 30th PEP data was unavailable.

* * * * *

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

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

The 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 the School Board, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
September 28, 2022

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2021**

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

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

Schedule 2 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1 - 20, 21 - 26, 27 - 33, and 34+ students. This data is currently reported to the Legislature Auditor in the Annual School Report (ASR).

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
As of and for the Year Ended June 30, 2021**

Schedule 1

<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 22,214,610	
Other Instructional Staff Activities	3,241,443	
Instructional Staff Employee Benefits	14,389,859	
Purchased Professional and Technical Services	56,100	
Instructional Materials and Supplies	1,057,436	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 40,959,448
Other Instructional Activities		338,689
Pupil Support Activities	5,098,610	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	5,098,610
Instructional Staff Services	878,234	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	878,234
School Administration	6,039,409	
Less: Equipment for School Administration	-	
Net School Administration	-	6,039,409
Total General Fund Instructional Expenditures		\$ 53,314,390
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ 23,886
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue		
Constitutional Ad Valorem Taxes	\$ 1,756,853	
Renew able Ad Valorem Tax	12,497,627	
Debt Service Ad Valorem Tax	8,675,407	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	872,490	
Sales and Use Taxes	24,003,227	
Total Local Taxation Revenue	\$ 47,805,604	
Local Earnings on Investment in Real Property		
Earnings from 16 th Section Property	\$ -	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property	\$ -	
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax	\$ -	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes	\$ -	
Nonpublic Textbook Revenue	\$ 31,225	
Nonpublic Transportation Revenue	-	
Total Nonpublic	\$ 31,225	

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Class Size Characteristics
As of October 1, 2020**

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	57%	803	34%	477	8%	118	1%	20
Elementary Activity Classes	36%	108	46%	135	13%	37	5%	16
Middle/Jr. High	40%	55	20%	28	39%	53	1%	1
Middle/Jr. High Activity Classes	26%	5	32%	6	42%	8	0%	
High	73%	689	14%	134	13%	121	0%	4
High Activity Classes	84%	127	11%	16	5%	7	0%	
Combination	100%	2	0%		0%		0%	
Combination Activity Classes								

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.