

**St. John the Baptist Parish  
School Board  
Reserve, Louisiana**

**Financial Statements**

**For the Fiscal Year Ended June 30, 2020**



**CRI** CARR  
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INGRAM

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## FINANCIAL SECTION

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## **FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish School Board (the "School Board"), as of and for the year ended June 30, 2020, 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.

### **Auditors' 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 auditors' 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 auditors consider internal control relevant to the School Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to 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, 2020, and the respective changes in financial position for the year then ended in conformity 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 budgetary comparison information and other required supplementary pension and OPEB information 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 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this omitted information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining nonmajor fund financial statements, combining fiduciary statements, the Schedule of Compensation Paid to School Board Members, and Schedule of Compensation Paid to Superintendent, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining nonmajor fund statements, combining fiduciary statements, the Schedule of Compensation Paid to School Board Members, and the Schedule of Compensation Paid to Superintendent are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining nonmajor fund statements, the Schedule of Compensation Paid to School Board Members, and Schedule of Compensation, Benefits, and Other Payments Paid to Superintendent are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

*Cam, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
November 19, 2021

## **BASIC FINANCIAL STATEMENTS**

**St. John the Baptist Parish School Board**  
**Statement of Net Position**  
**June 30, 2020**

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>ASSETS</b>                                 |                            |
| Cash and cash equivalents                     | \$ 29,720,632              |
| Investments                                   | 583,164                    |
| Due from other governments                    | 18,034,744                 |
| Other receivables                             | 3,495,121                  |
| Inventory                                     | 172,790                    |
| Other assets                                  | 860,601                    |
| Capital assets not being depreciated          | 3,448,977                  |
| Capital assets being depreciated, net         | 109,867,875                |
| <b>TOTAL ASSETS</b>                           | <b>166,183,904</b>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>         |                            |
| Deferred amounts related to pension liability | 21,012,093                 |
| Deferred amounts related to OPEB liability    | 19,028,425                 |
| Deferred loss debt refunding                  | 1,508,263                  |
| <b>TOTAL DEFERRED OUTFLOWS</b>                | <b>41,548,781</b>          |
| <b>LIABILITIES</b>                            |                            |
| Accounts, salaries, and other payables        | 12,115,439                 |
| Interest payable                              | 590,478                    |
| Long-term liabilities:                        |                            |
| Due within one year                           | 11,460,175                 |
| Due in more than one year                     | 248,646,189                |
| <b>TOTAL LIABILITIES</b>                      | <b>272,812,281</b>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                            |
| Advance tax payments                          | 6,430,757                  |
| Deferred amounts related to pension liability | 6,608,363                  |
| Deferred amounts related to OPEB liability    | 11,410,078                 |
| <b>TOTAL DEFERRED INFLOWS</b>                 | <b>24,449,198</b>          |
| <b>NET POSITION</b>                           |                            |
| Net investment in capital assets              | 41,178,960                 |
| Restricted for:                               |                            |
| Special revenue                               | 3,237,951                  |
| Debt service                                  | 7,170,907                  |
| Unrestricted                                  | (141,116,612)              |
| <b>TOTAL NET POSITION</b>                     | <b>\$ (89,528,794)</b>     |

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

**St. John the Baptist Parish School Board**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

| FUNCTIONS/PROGRAMS  | Expenses             | Program Revenues        |  | Net (Expense)<br>Revenue And<br>Changes In Net<br>Position |
|---|----------------------|-------------------------|--|--|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants And<br>Contributions                     |
| Governmental activities:                                      |                      |                         |  |  |
| Instruction   | \$ 58,303,140        | \$ -                    | \$ 10,142,496                            | \$ 817,957   |
| Support services  | 38,488,949           | 118,722                 | 3,409,179                                | -  |
| Interest on long-term debt                                    | 2,059,103            | -                       | -  | -  |
| Total Governmental Activities                                 | <u>\$ 98,851,192</u> | <u>\$ 118,722</u>       | <u>\$ 13,551,675</u>                     | <u>\$ 817,957</u>  |
| General Revenues:   |                      |                         |  |  |
| Taxes:  |                      |                         |  |  |
| Property taxes, levied for general purposes                   |                      |                         |  | 13,677,850   |
| Property taxes, levied for debt service                       |                      |                         |  | 5,076,904  |
| Sales and use taxes, levied for general purposes              |                      |                         |  | 26,669,981   |
| Sales and use taxes, levied for public improvement            |                      |                         |  | 4,132,697  |
| Grants and contributions not restricted to specific purposes: |                      |                         |  |  |
| Minimum Foundation Program                                    |                      |                         |  | 31,275,294   |
| Other   |                      |                         |  | 901,127  |
| State revenue sharing, general purpose                        |                      |                         |  | 60,317   |
| Interest and investment earnings                              |                      |                         |  | 222,304  |
| Total general revenues  |                      |                         |  | <u>82,016,474</u>  |
| Change in net position  |                      |                         |  | <u>(2,346,364)</u>   |
| Net position - beginning                                      |                      |                         |  | <u>(87,182,430)</u>  |
| Net position - ending   |                      |                         |  | <u>\$ (89,528,794)</u>                                     |

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

**St. John the Baptist Parish School Board**

**Balance Sheet**

**Governmental Funds**

**June 30, 2020**

|  | General<br>Fund      | Other Federal<br>Programs<br>Fund | Sinking III<br>Fund | Non-Major<br>Governmental<br>Funds | TOTAL                |
|--|----------------------|-----------------------------------|---------------------|------------------------------------|----------------------|
| <b>ASSETS</b>  |                      |                                   |                     |                                    |                      |
| Cash and cash equivalents  | \$ 16,258,651        | \$ 340,640                        | \$ 8,785,311        | \$ 4,336,030                       | \$ 29,720,632        |
| Investments  | 583,164              | -                                 | -                   | -                                  | 583,164              |
| Interfund receivables  | 11,712,080           | 2,708,215                         | 656,731             | 3,544,729                          | 18,621,755           |
| Due from other governments   | 307,684              | 16,319,767                        | -                   | 1,407,293                          | 18,034,744           |
| Other receivables  | 2,743,139            | -                                 | 178,445             | 573,537                            | 3,495,121            |
| Inventory  | -                    | -                                 | -                   | 172,790                            | 172,790              |
| Other assets   | 860,601              | -                                 | -                   | -                                  | 860,601              |
| <b>TOTAL ASSETS</b>  | <b>\$ 32,465,319</b> | <b>\$ 19,368,622</b>              | <b>\$ 9,620,487</b> | <b>\$ 10,034,379</b>               | <b>\$ 71,488,807</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>            |                      |                                   |                     |                                    |                      |
| Liabilities:   |                      |                                   |                     |                                    |                      |
| Accounts, salaries, and other payables   | \$ 11,528,592        | \$ 538,535                        | \$ -                | \$ 48,312                          | \$ 12,115,439        |
| Interfund payables   | 4,937,335            | 6,602,633                         | 528,246             | 6,553,541                          | 18,621,755           |
| Total Liabilities  | 16,465,927           | 7,141,168                         | 528,246             | 6,601,853                          | 30,737,194           |
| Deferred inflows or resources:   |                      |                                   |                     |                                    |                      |
| Advance tax payments   | 4,666,083            |                                   | 1,764,674           |                                    | 6,430,757            |
| Unavailable revenue  | 755,985              | 12,227,454                        | 178,445             | -                                  | 13,161,884           |
| Total Deferred Inflows of resources  | 5,422,068            | 12,227,454                        | 1,943,119           | -                                  | 19,592,641           |
| Fund balances:   |                      |                                   |                     |                                    |                      |
| Nonspendable   | 860,601              | -                                 | -                   | 172,790                            | 1,033,391            |
| Restricted   | -                    | -                                 | 7,149,122           | 3,259,736                          | 10,408,858           |
| Assigned   | 2,858,164            | -                                 | -                   | -                                  | 2,858,164            |
| Unassigned   | 6,858,559            | -                                 | -                   | -                                  | 6,858,559            |
| Total Fund Balances  | 10,577,324           | -                                 | 7,149,122           | 3,432,526                          | 21,158,972           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b> | <b>\$ 32,465,319</b> | <b>\$ 19,368,622</b>              | <b>\$ 9,620,487</b> | <b>\$ 10,034,379</b>               | <b>\$ 71,488,807</b> |

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

**St. John the Baptist Parish School Board**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2020**

|   |    |            |
|---|----|------------|
| Total Fund Balances at June 30, 2020 - Governmental Funds | \$ | 21,158,972 |
|---|----|------------|

Amounts reported for governmental activities in the  
Statement of Net Position are different because:

|  |                    |             |
|--|--------------------|-------------|
| Cost of capital assets at June 30, 2020              | \$                 | 192,697,615 |
| Less - accumulated depreciation as of June 30, 2020: |                    |             |
| Buildings  | (72,710,839)       |             |
| Movable property                                     | <u>(6,669,924)</u> | 113,316,852 |

|  |                  |            |
|--|------------------|------------|
| Contributions to the pension plan in the current fiscal year and other<br>pension related deferrals are deferred outflows of resources on the<br>Statement of Net Position | 21,012,093       |            |
| OPEB related deferrals   | 19,028,425       |            |
| Deferred loss on refunding   | <u>1,508,263</u> | 41,548,781 |

|   |                     |               |
|---|---------------------|---------------|
| Long-term liabilities at June 30, 2020:         |                     |               |
| Compensated absences                            | (2,632,407)         |               |
| Claims payable                                  | (3,542,148)         |               |
| Capitalized bond premiums                       | (706,512)           |               |
| Bonds payable                                   | (72,409,616)        |               |
| Net pension liability                           | (82,441,598)        |               |
| Total post employment benefit obligation (OPEB) | <u>(98,374,083)</u> | (260,106,364) |

|   |                     |              |
|---|---------------------|--------------|
| Pension related deferrals are deferred inflows of resources on the<br>Statement of Net Position | (6,608,363)         |              |
| OPEB related deferrals  | <u>(11,410,078)</u> | (18,018,441) |

|                          |  |           |
|--------------------------|--|-----------|
| Accrued interest payable |  | (590,478) |
|--------------------------|--|-----------|

|  |  |                   |
|--|--|-------------------|
| Difference in revenue recognition on the modified accrual basis as reported<br>in the fund statements versus revenue recognition on the full accrual basis |  | <u>13,161,884</u> |
|--|--|-------------------|

|                                |    |                            |
|--------------------------------|----|----------------------------|
| Net Position at June 30, 2020: | \$ | <u><u>(89,528,794)</u></u> |
|--------------------------------|----|----------------------------|

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



**St. John the Baptist Parish School Board**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

|  | General<br>Fund | Other Federal<br>Programs<br>Fund | Sinking III<br>Fund | Non-Major<br>Governmental<br>Funds | Total         |
|--|-----------------|-----------------------------------|---------------------|------------------------------------|---------------|
| <b>REVENUES</b>                        |                 |                                   |                     |                                    |               |
| Local sources:                         |                 |                                   |                     |                                    |               |
| Taxes:                                 |                 |                                   |                     |                                    |               |
| Ad valorem                             | \$ 13,677,850   | \$ -                              | \$ 5,076,904        | \$ -                               | \$ 18,754,754 |
| Sales and use                          | 26,669,981      | -                                 | -                   | 4,132,697                          | 30,802,678    |
| Interest earnings                      | 65,139          | -                                 | 143,835             | 13,331                             | 222,305       |
| Charges for services                   | -               | -                                 | -                   | 118,722                            | 118,722       |
| Other                                  | 595,659         | -                                 | -                   | -                                  | 595,659       |
| Total Local Sources                    | 41,008,629      | -                                 | 5,220,739           | 4,264,750                          | 50,494,118    |
| State sources:                         |                 |                                   |                     |                                    |               |
| Minimum Foundation Program             | 31,225,219      | -                                 | -                   | 50,075                             | 31,275,294    |
| State revenue sharing                  | 60,317          | -                                 | -                   | -                                  | 60,317        |
| Other                                  | 229,456         | -                                 | -                   | -                                  | 229,456       |
| Total State Sources                    | 31,514,992      | -                                 | -                   | 50,075                             | 31,565,067    |
| Federal sources                        | 833,633         | 6,283,144                         | -                   | 5,773,546                          | 12,890,323    |
| TOTAL REVENUES                         | 73,357,254      | 6,283,144                         | 5,220,739           | 10,088,371                         | 94,949,508    |
| <b>EXPENDITURES</b>                    |                 |                                   |                     |                                    |               |
| Current:                               |                 |                                   |                     |                                    |               |
| Instruction                            | 42,478,581      | 7,613,705                         | -                   | 2,220,993                          | 52,313,279    |
| Support services                       | 29,148,086      | 151,925                           | -                   | 5,259,302                          | 34,559,313    |
| Capital outlay                         | 35,786          | 15,141                            | -                   | 287,473                            | 338,400       |
| Debt service:                          |                 |                                   |                     |                                    |               |
| Principal retirement                   | 307,692         | -                                 | 3,635,000           | 740,000                            | 4,682,692     |
| Interest and bank charges              | 15,140          | -                                 | 1,552,913           | 428,857                            | 1,996,910     |
| Total expenditures                     | 71,985,285      | 7,780,771                         | 5,187,913           | 8,936,625                          | 93,890,594    |
| <b>EXCESS (DEFICIENCY)</b>             |                 |                                   |                     |                                    |               |
| <b>OF REVENUES OVER EXPENDITURES</b>   | 1,371,969       | (1,497,627)                       | 32,826              | 1,151,746                          | 1,058,914     |
| <b>OTHER FINANCING SOURCES (USES):</b> |                 |                                   |                     |                                    |               |
| Transfers in                           | -               | 814,502                           | 528,246             | 2,730,513                          | 4,073,261     |
| Transfers out                          | (1,848,113)     | -                                 | (528,246)           | (1,696,902)                        | (4,073,261)   |
| Total other financing sources (use)    | (1,848,113)     | 814,502                           | -                   | 1,033,611                          | -             |
| <b>NET CHANGE IN FUND BALANCES</b>     | (476,144)       | (683,125)                         | 32,826              | 2,185,357                          | 1,058,914     |
| <b>FUND BALANCES - BEGINNING</b>       | 11,053,468      | 683,125                           | 7,116,296           | 1,247,169                          | 20,100,058    |
| <b>FUND BALANCES - ENDING</b>          | \$ 10,577,324   | \$ -                              | \$ 7,149,122        | \$ 3,432,526                       | \$ 21,158,972 |

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

**St. John the Baptist Parish School Board**  
**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, 2020**

|  |    |           |
|--|----|-----------|
| Total net change in fund balances - governmental funds | \$ | 1,058,914 |
|--|----|-----------|

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

Capital assets:

|                             |                    |             |
|-----------------------------|--------------------|-------------|
| Capital outlays capitalized | \$ 338,397         |             |
| Depreciation expense        | <u>(6,563,893)</u> | (6,225,496) |

|   |  |        |
|---|--|--------|
| Excess of interest accrued over interest paid |  | 45,654 |
|---|--|--------|

|                               |  |           |
|-------------------------------|--|-----------|
| Change in unavailable revenue |  | 1,249,853 |
|-------------------------------|--|-----------|

|   |  |           |
|---|--|-----------|
| Change in deferred inflows of resources-pension plans   |  | 2,416,267 |
| Change in deferred outflows of resources- pension plans |  | (96,265)  |

|   |  |             |
|---|--|-------------|
| Change in deferred inflows- other post-employment benefits  |  | 13,100,162  |
| Change in deferred outflows- other post-employment benefits |  | (1,434,474) |

|   |  |           |
|---|--|-----------|
| Amortization of deferred outflows relating to debt defeasance |  | (177,251) |
|---|--|-----------|

Long-term debt:

|  |              |                     |
|--|--------------|---------------------|
| Principal portion of debt service payments | 4,682,692    |                     |
| Change in claims payable                   | (1,060,003)  |                     |
| Change in compensated absences             | 26,349       |                     |
| Amortization of bond premium               | 69,403       |                     |
| Change in net pension liability            | (126,531)    |                     |
| Change in total OPEB liability             | (15,875,638) | <u>(12,283,728)</u> |

|   |    |                    |
|---|----|--------------------|
| Change in net position of governmental activities | \$ | <u>(2,346,364)</u> |
|---|----|--------------------|

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

**St. John the Baptist Parish School Board**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**

|  | <b>AGENCY<br/>FUNDS</b> |
|--|-------------------------|
|  | <hr/>                   |
| <b>ASSETS</b>                              |                         |
| Cash and cash equivalents                  | \$ 3,246,528            |
|  | <hr/>                   |
| TOTAL ASSETS                               | <u>\$ 3,246,528</u>     |
|  |                         |
| <b>LIABILITIES</b>                         |                         |
| Accounts payable                           | \$ 2,828,521            |
| Due to St. John School Board               | -                       |
| Due to Sheriff                             | -                       |
| Due to St. John the Baptist Parish Council | -                       |
| Amounts held for school activities         | 418,007                 |
|  | <hr/>                   |
| TOTAL LIABILITIES                          | <u>\$ 3,246,528</u>     |

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

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The School Board operates 12 schools within the Parish with a total enrollment of 5,715 pupils for the year ended June 30, 2020. 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 generally accepted accounting principles ("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**

The 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. 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 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.

**Funds**

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**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Funds of the School Board are classified into two categories: governmental and fiduciary, as follows:

Governmental Fund Types

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 system operations and individual functional categories of instructional and support services. It is used to account for and report all financial resources except those required to be accounted for in another fund. The General Fund 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

Other Federal Programs Fund is a 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**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individual, private organizations, or other governments. Separate capital project funds are maintained to account for the proceeds of major general obligation bonds and other financing proceeds.

Debt Service Funds

The Debt Service Funds are used to account 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 III Fund is considered a major fund.

Sinking III Fund -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.

Fiduciary Fund Type

The Fiduciary Funds are used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains two fiduciary fund type agency funds: the School Activity Agency Fund and the Sales Tax Fund, both of which account for assets held by the Board in a custodial capacity. An agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 the St. John the Baptist Parish School Board, two and one-quarter percent is dedicated to the St. John the Baptist Parish Council and one-half percent is dedicated to the St. John the Baptist Parish Sheriff's Department.

School Activity Fund - The activities of the various individual school accounts are accounted for in the School Activity Fund. While the fund is under the supervision of the School Board, these monies belong to the individual schools or their student bodies and are not available for use by the School Board.

**Measurement Focus/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. These statements include all the financial activities of the School Board, except for the Fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities.

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

Program Revenues

Program revenues included in the Statement of Activities derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Internal Activities

All internal activities and interfund transactions, except interfund services provided and used, are eliminated in the Government-Wide Financial Statements.

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 each 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 general long-term debt is considered an interest expense and is reported separately in the Statement of Activities.

**Fund Financial Statements ("FFS")**

Governmental funds 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 are generally included on the balance sheet. 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.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization 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 1, become due on November 15 of each year, and become delinquent on December 31. An enforceable lien attaches to the property as of January 1. The taxes to be levied were approved by the School Board. However, before the taxes can be collected, the tax rolls are 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.

Sales taxes, tuition, rent, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

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.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Other Financial 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, or long-term debt proceeds) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Budgetary Data**

The General Fund and the Special Revenue Funds are the only fund types with legally required annual budgets. Budgets are prepared on a modified accrual basis, consistent with the basis of accounting for comparability of budgeted and actual revenues and expenditures. Formal budget accounts are integrated into the accounting system during the year as a management control device, 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.

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

Prior to September 15<sup>th</sup> 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 1<sup>st</sup>. The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 15<sup>th</sup>, 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 15<sup>th</sup> 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 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 fails 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 56-57) and the Non-major Special Revenue Fund Schedules of Revenues, Expenditures, and Changes in Fund



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Balance (see pages 66-67) include the effect of such budget amendments, none of a significant nature.

**Cash, Cash Equivalents and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts with original maturities of one year or less from the date of acquisition. Cash equivalents include time deposits.

Louisiana Revised Statutes, at LSA-R.S. 33:2955, authorize 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.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. ("LAMP"), a non-profit corporation organized under the laws of the State of Louisiana. These investments are reported at fair value. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities.

**Due from Other Governments**

Due from Other Governments consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

**Interfund Transactions**

During the normal course of 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 interfund receivable or interfund payable on the balance sheet.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventory**

All purchased inventories are valued at cost (first-in, first-out); commodities are assigned values based on information provided by the U.S. Department of Agriculture. Inventories in the School Lunch/Breakfast Special Revenue Fund consisted of food and supplies. The commodities are recorded in revenues and expenditures when consumed.

**Prepays**

Prepays are reported under the consumption method, under which purchases are debited to a prepaid asset account and are recorded as expenditures or expenses when used.

**Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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:

| <u>Description</u>         | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| 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.



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The School Board has three items that meet the criterion for this category, pension-related deferrals, OPEB-related deferrals and deferred loss on debt refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The School Board has two items that meet the criterion for this category on the Statement of Net Position, pension-related deferrals and OPEB-related deferrals. 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.

**Compensated Absences**

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.

Teachers and other 9-month employees earn 10 days of sick leave each year. All 12-month employees earn from 10 to 18 days 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 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.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Compensated absences are recognized as current year expenditures in the General Fund when leave is actually taken, or when employees are paid for accrued leave upon retirement or death (liquidated). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Restricted Net Position**

For the GWFS Statement of Net Position, net position is reported as restricted when constraints placed on net position used is either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the School Board is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*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.

*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.

*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. Those 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.



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

*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.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Claims and Judgments**

Losses resulting from claims and judgments, including related expenditures, salvage, and subrogation, are estimated by utilizing a case by case review of all claims, based on data provided by legal counsel and third-party administrators. The liability for such losses is recorded in the GWFS. Incurred but not reported claims as of June 30, 2020 have been considered in determining the accrued liability.

**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 Louisiana School Employee 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.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Sales 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 a 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. Included in the Other Receivables line item on the Balance Sheet – Governmental Funds is \$2,841,166 of sales tax collected in June that, as of the report date, has not been received.

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 | 1/3%        |
| Repairs and Maintenance of   |             |
| Plant and Facilities         | 1/3%        |
| Capital Projects Fund        | 1/3%        |
| Teacher Salaries             | <u>1/2%</u> |
|                              | <u>2½%</u>  |

**Recently Implemented Accounting Pronouncements**

The School Board has implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The implementation of this statement did not result in any change in the School Board's financial statements. GASB Statement No. 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to the financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. Additional information can be found in Note 8.



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Future Accounting Pronouncements**

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements address:

- Fiduciary activities;
- Leases;
- Accounting for interest costs incurred before the end of a construction period; and
- Subscription-based information technology arrangements.

The School Board is currently evaluating the effects that these statements will have on its financial statements.

**Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 19, 2021. See Note 19 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents

At June 30, 2020, the School Board had cash and cash equivalents as follows:

| Fund Type          |    |            |
|--------------------|----|------------|
| Governmental Funds | \$ | 29,720,632 |
| Fiduciary Funds    |    | 3,246,528  |
| Total              | \$ | 32,967,160 |

Under state law, the bank balances of these deposits must be secured by federal deposit insurance 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.

Deposit balances (bank balances) at June 30, 2020, are secured as follows:

|   |    |            |
|---|----|------------|
| Bank balance  | \$ | 31,023,349 |
| FDIC Insured  |    | 250,000    |
| Collateral held by pledging bank in School Board's name |    | 30,773,349 |
| Total   | \$ | 31,023,349 |

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

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

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., a local government investment pool (see Summary of Significant Accounting Policies) consisted of \$583,164 at June 30, 2020. The fair value of the School Board's position is the same as the fair value of its share of the pooled assets. The investment is being held for future OPEB obligations.

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**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name.

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 the 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 is AAA+ indicating a superior capacity to maintain principal value and limit exposure to losses. LAMP issues a publically available financial report that can be obtained at [www.lamppool.com](http://www.lamppool.com).

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

As of June 30, 2020, the School Board had the following investments:

| <b>Investment</b> | <u><b>Maturity</b></u> | <u><b>Fair Value</b></u> |
|-------------------|------------------------|--------------------------|
| LAMP              | 90 day average         | <u>\$ 583,164</u>        |
| Total             |                        | <u>\$ 583,164</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: ADVANCE TAX PAYMENTS**

The School Board and other taxing districts in the 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 Louisiana R.S.47:2138(B). The School Board's portion of the advance tax payments totaled \$6,430,757 which is recorded as advance tax payments on the Governmental Fund Balance Sheet and will be recognized as revenue as the credits are utilized. For the year ended June 30, 2020, \$-0- was recognized as revenue.

**Note 3: 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.

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957).

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvement for residential purposes 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 service properties, excluding land, are to be assessed at 25% of fair market value. The correctness of assessments by the assessor is subject to review and rectification by the Louisiana Tax



**St. John the Baptist Parish School Board**  
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**Note 3: AD VALOREM TAXES**

Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad valorem taxes are attached as an enforceable lien of property as of January 1 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 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills and the Sheriff collects the property taxes.

The following is a summary of authorized and levied ad valorem taxes for the fiscal year ended June 30, 2020 (calendar year 2019 assessments):

|                            | <u>Millage<br/>Authorized</u> | <u>Millage<br/>Levied</u> |
|----------------------------|-------------------------------|---------------------------|
| Parish-wide Taxes          |                               |                           |
| Constitutional             | 3.65                          | 3.65                      |
| Maintenance and operations | 4.33                          | 4.33                      |
| Health                     | 10.12                         | 10.12                     |
| Salaries and Benefits      | 8.23                          | 8.23                      |
| Improvement                | 2.98                          | 2.98                      |
| Bonded debt                | 10.00                         | 10.00                     |
|                            | <u>39.31</u>                  | <u>39.31</u>              |

The School Board is permitted by state law to levy taxes up to \$48 per \$1,000 of assessed valuation. For the year ended June 30, 2020, taxes of 39.31 mills were levied on property with assessed valuations totaling \$454,621,953, net of exemptions. Total taxes levied were \$18,754,754.

Included in the Other Receivables line item on the Balance Sheet – Governmental Funds is \$653,919 of property taxes owed to the school board that, as of the report date, has not been received. The amount will be paid upon settlement of the dispute. The remaining amount in Other Receivables reflects amounts collected but not distributed to the School Board by the Sales Tax Agency Fund at year end.

**St. John the Baptist Parish School Board**  
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**Note 5: DUE FROM OTHER GOVERNMENTS**

At June 30, 2020, due from other governments consists of:

|             | <b>General<br/>Fund</b> | <b>Other<br/>Federal<br/>Programs<br/>Fund</b> | <b>Non-Major<br/>Governmental<br/>Funds</b> | <b>Total</b>         |
|-------------|-------------------------|--|---|----------------------|
| Receivable: |                         |  |   |                      |
| Federal     | \$ 307,684              | \$ 16,319,767                                  | \$ 1,407,293                                | \$ 18,034,744        |
|             | <u>\$ 307,684</u>       | <u>\$ 16,319,767</u>                           | <u>\$ 1,407,293</u>                         | <u>\$ 18,034,744</u> |

**Note 6: CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2020, is as follows:

| <u>Governmental Activities</u>                | <u>Balance<br/>July 1, 2019</u> | <u>Additions</u>    | <u>Disposals</u>      | <u>Balance<br/>June 30, 2020</u> |
|---|---------------------------------|---------------------|-----------------------|----------------------------------|
| Construction in Progress                      | \$ 11,558,396                   | \$ 60,199           | \$ (11,594,957)       | \$ 23,638                        |
| Land  | 3,425,339                       | -                   | -                     | 3,425,339                        |
| Total capital assets<br>not being depreciated | 14,983,735                      | 60,199              | (11,594,957)          | 3,448,977                        |
| Buildings and<br>improvements                 | 169,080,644                     | 11,780,294          | -                     | 180,860,938                      |
| Furniture and equipment                       | 8,294,839                       | 92,861              | -                     | 8,387,700                        |
| Total capital assets<br>being depreciated     | 177,375,483                     | 11,873,155          | -                     | 189,248,638                      |
| Less accumulated<br>depreciation:             |                                 |                     |                       |                                  |
| Buildings and<br>improvements                 | (66,713,550)                    | (5,997,289)         | -                     | (72,710,839)                     |
| Furniture and equipment                       | (6,103,320)                     | (566,604)           | -                     | (6,669,924)                      |
| Total accumulated<br>depreciation             | (72,816,870)                    | (6,563,893)         | -                     | (79,380,763)                     |
| Net capital assets<br>being depreciated       | 104,558,613                     | 5,309,262           | -                     | 109,867,875                      |
| Capital assets, net                           | <u>\$ 119,542,348</u>           | <u>\$ 5,369,461</u> | <u>\$(11,594,957)</u> | <u>\$ 113,316,852</u>            |

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
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**Note 6: CAPITAL ASSETS (CONTINUED)**

Depreciation expense for the year ended June 30, 2020, was charged to the following governmental functions:

|                  |                    |
|------------------|--------------------|
| Instruction      | \$3,964,635        |
| Support services | <u>2,599,258</u>   |
| Total            | <u>\$6,563,893</u> |

Construction in progress is related to damage to one (1) school incurred in 2016 during Hurricane Isaac. As of the date of this report, FEMA has obligated approximately \$53.5 million to fund Hurricane Isaac damage. The School Board is responsible for a 25% match (approximately \$13 million) for which they intend on funding primarily with general fund monies and General Obligation bonds issued and to be issued by the School Board. At June 30, 2020, approximately \$46 million of eligible expenses were incurred by the School Board and are eligible for reimbursement or have been reimbursed under obligated FEMA funding.

**Note 7: ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The following is a summary of accounts, salaries, and other payables as of June 30, 2020:

|                                  | General<br>Fund     | Other Federal<br>Programs Fund | Non-Major<br>Governmental<br>Funds | Total                |
|----------------------------------|---------------------|--------------------------------|------------------------------------|----------------------|
| Accounts payable                 | \$ 3,522,503        | \$ 538,535                     | \$ 48,312                          | \$ 4,109,350         |
| Accrued salaries<br>and benefits | <u>8,006,089</u>    | <u>-</u>                       | <u>-</u>                           | <u>8,006,089</u>     |
| <b>Total</b>                     | <u>\$11,588,592</u> | <u>\$ 538,535</u>              | <u>\$ 48,312</u>                   | <u>\$ 12,115,439</u> |

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

Individual fund interfund receivables and payables balances at June 30, 2020 reported on the fund financial statements were as follows:

|                                     | Due to              |                             |                   |                              | Total               |
|-------------------------------------|---------------------|-----------------------------|-------------------|------------------------------|---------------------|
|                                     | General Fund        | Other Federal Programs fund | Sinking Fund III  | Non-Major Governmental Funds |                     |
| <b>Due from Governmental Funds:</b> |                     |                             |                   |                              |                     |
| General Fund                        | \$ -                | \$ 2,708,215                | \$ -              | \$ 2,229,120                 | \$4,937,335         |
| Other Federal Programs Fund         | 6,602,633           | -                           | -                 | -                            | 6,602,633           |
| Sinking Fund III                    |                     |                             |                   | 528,246                      | 528,246             |
| Non-Major Governmental Funds        | 5,109,447           | -                           | 656,731           | 787,363                      | 6,553,541           |
| <b>Total Governmental Funds</b>     | <u>\$11,712,080</u> | <u>\$ 2,708,215</u>         | <u>\$ 656,731</u> | <u>\$ 3,544,729</u>          | <u>\$18,621,755</u> |

The above balances represent short-term receivables and payables incurred in the normal course of the School Board's operations.

The purpose of the interfund receivables and payables is to meet current operational needs and are expected to be repaid within one year. Receivables and payables result from the one fund's payment for the expenditures of another fund's until it receives the funding to reimburse the receivable fund for those expenditures. These balances also result from activity related to Federally-funded Hurricane recovery projects, for which expenses are recorded in multiple funds.

**Note 9: 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 (1/3) of the special one percent (1%) sales and use tax now being levied and collected in the Parish.



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
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**Note 9: LONG-TERM OBLIGATIONS (CONTINUED)**

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, 2020 and the total future interest due on the bonds:

| <b>Bond Type</b>                                    | <b>Date of Issuance</b> | <b>Authorized and Issued</b> | <b>Interest Rate %</b> | <b>Maturity Date</b> | <b>Principal Outstanding</b> | <b>Interest to Maturity</b> |
|---|-------------------------|------------------------------|------------------------|----------------------|------------------------------|-----------------------------|
| <u>General Obligation Bonds – Direct Placements</u> |                         |                              |                        |                      |                              |                             |
| Series 2012   | 8/30/2012               | \$ 3,800,000                 | 1.98                   | 3/01/2022            | \$ 660,000                   | \$ 19,701                   |
| Series 2016   | 5/18/2016               | 6,845,000                    | 2.08                   | 3/01/2029            | 6,040,000                    | 656,887                     |
| Series 2017   | 5/25/2017               | 11,515,000                   | 2.40                   | 3/01/2029            | 11,150,000                   | 1,393,920                   |
| QSCB 2011   | 1/26/2011               | 10,000,000                   | 1.10                   | 1/26/2026            | 10,000,000                   | 300,000                     |
| QZAB 2017   | 10/01/2017              | 4,000,000                    | 0.00                   | 9/16/2030            | 3,384,616                    | -                           |
| <u>General Obligation Bonds – Other</u>             |                         |                              |                        |                      |                              |                             |
| Series 2011   | 11/01/2011              | \$ 8,000,000                 | 2.00 – 3.38            | 3/01/2031            | 5,480,000                    | 1,130,569                   |
| Series 2013   | 1/09/2013               | 11,600,000                   | 2.00 – 5.00            | 3/01/2032            | 8,420,000                    | 1,693,325                   |
| Series 2014   | 6/01/2014               | 10,180,000                   | 2.00 – 4.00            | 3/01/2034            | 7,930,000                    | 2,193,081                   |
| Series 2015   | 6/11/2015               | 10,380,000                   | 3.00 – 4.00            | 3/01/2035            | 8,505,000                    | 2,652,482                   |
| Total General Obligation Bonds                      |                         |                              |                        |                      | <u>\$ 61,569,616</u>         | <u>\$ 10,039,971</u>        |
| <u>Sales Tax Bonds</u>                              |                         |                              |                        |                      |                              |                             |
| Series 2006   | 9/01/2006               | \$18,000,000                 | 4.10 – 7.00            | 4/01/2031            | \$ 625,000                   | \$ 181,472                  |
| Series 2015   | 5/14/2015               | 12,905,000                   | 2.00 – 5.00            | 4/01/2031            | 10,215,000                   | 2,345,163                   |
| Total Sales Tax Bonds                               |                         |                              |                        |                      | <u>\$ 10,840,000</u>         | <u>\$ 2,526,635</u>         |

Bond principal and interest payable in the next fiscal year are \$6,696,110. Interest paid and bank charges in the current fiscal year on general obligation bonds and sales tax bonds amounted to \$1,190,151.

At June 30, 2020, the School Board accumulated \$8,771,811 in the Debt Service Funds for the future retirement of General Obligation Bonds.

In accordance with LRS 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2020, the statutory limit is \$187,999,792 resulting in a legal debt margin of \$130,164,852.



**St. John the Baptist Parish School Board**  
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**June 30, 2020**

**Note 9: LONG-TERM OBLIGATIONS (CONTINUED)**

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

Annual debt service to maturity is as follows:

| <b>Fiscal Year</b> | <b>General Obligation Bonds –<br/>Direct Placements</b> |                     | <b>General Obligation Bonds –<br/>Other</b> |                     |
|--------------------|---|---------------------|---|---------------------|
|                    | <b>Principal</b>  | <b>Interest</b>     | <b>Principal</b>                            | <b>Interest</b>     |
| 2021               | \$ 2,302,692  | \$ 456,904          | \$ 1,780,000                                | \$ 977,576          |
| 2022               | 2,372,692   | 412,218             | 1,860,000                                   | 914,375             |
| 2023               | 2,092,692   | 365,956             | 1,940,000                                   | 852,588             |
| 2024               | 2,152,692   | 325,069             | 2,030,000                                   | 793,538             |
| 2025               | 2,207,692   | 282,804             | 2,120,000                                   | 732,856             |
| 2026-2030          | 19,798,463  | 527,557             | 12,085,000                                  | 2,644,294           |
| 2031-2035          | 307,693   | -                   | 8,520,000                                   | 754,232             |
|                    | <u>\$ 31,234,616</u>                                    | <u>\$ 2,370,508</u> | <u>\$ 30,335,000</u>                        | <u>\$ 7,669,459</u> |

| <b>Fiscal Year</b> | <b>Sales Tax Bonds</b> |                     |
|--------------------|------------------------|---------------------|
|                    | <b>Principal</b>       | <b>Interest</b>     |
| 2021               | \$ 780,000             | \$ 398,938          |
| 2022               | 820,000                | 367,569             |
| 2023               | 860,000                | 330,726             |
| 2024               | 910,000                | 292,088             |
| 2025               | 945,000                | 262,088             |
| 2026-2030          | 5,315,000              | 833,600             |
| 2031-2035          | 1,210,000              | 41,625              |
|                    | <u>\$ 10,840,000</u>   | <u>\$ 2,526,634</u> |

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
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**Note 9: LONG-TERM OBLIGATIONS (CONTINUED)**

General Long-Term Obligations

The following is a summary of the changes to general long-term obligations for the year ended June 30, 2020:

|  | Balance as of<br><u>06/30/19</u> | <u>Additions</u>    | <u>Deletions</u>      | Balance as of<br><u>06/30/20</u> | Due within<br><u>One Year</u> |
|--|----------------------------------|---------------------|-----------------------|----------------------------------|-------------------------------|
| General Obligation<br>Bonds – Direct<br>Placements | \$ 32,552,308                    | \$ -                | \$ (1,317,692)        | \$ 31,234,615                    | \$ 2,302,692                  |
| General Obligation<br>Bonds - Other                | 32,960,000                       | -                   | (2,625,000)           | 30,335,000                       | 1,780,000                     |
| Sales Tax Bonds                                    | 11,580,000                       | -                   | (740,000)             | 10,840,000                       | 780,000                       |
| Unamortized<br>Bond Premium                        | 775,915                          | -                   | (69,403)              | 706,512                          | -                             |
| Claims Payable                                     | 2,482,145                        | 2,260,235           | (1,200,232)           | 3,542,148                        | 1,493,302                     |
| Compensated<br>Absences                            | 2,658,756                        | 2,458,258           | (2,484,607)           | 2,632,407                        | 2,380,525                     |
| Net Pension<br>Liabilities                         | 82,315,067                       | 126,531             | -                     | 82,441,598                       | -                             |
| Other Post-<br>employment<br>Benefits Liability    | 82,498,445                       | 15,875,638          | -                     | 98,374,083                       | 2,792,490                     |
| <b>Total</b>                                       | <b>\$247,822,636</b>             | <b>\$20,795,261</b> | <b>\$ (8,436,934)</b> | <b>\$260,180,963</b>             | <b>\$11,460,175</b>           |

The deductions-payments and retirements are reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances. The bond and note deductions totaling \$4,752,095 of principal payments are included under the caption "Principal Retirement." The reduction in compensated absences of \$2,484,607 is included in payroll which is allocated among all of the functions.

The current portion of the compensated absences is based on an average of amounts used in previous periods. Compensated absences and other post-employment benefits are liquidated by the General Fund and Special Revenue Funds.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 10: INTERFUND TRANSFERS**

| Fund Receiving<br>Transfer | Amount<br>Transferred In | Fund Making<br>Transfer | Transferred<br>Out  |
|----------------------------|--------------------------|-------------------------|---------------------|
| Sinking Fund III           | \$ 528,246               | General Fund            | \$ 1,848,113        |
| Other Federal Programs     | 814,502                  | Sinking Fund III        | 528,246             |
| Non-major Funds            | <u>2,730,513</u>         | Non-major Funds         | <u>1,696,902</u>    |
| Totals                     | <u>\$ 4,073,261</u>      |                         | <u>\$ 4,073,261</u> |

The Sinking III Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs. Transfers are also used to recapture indirect costs as well as to account for activity related to Federally-funded Hurricane recovery projects, for which expenses are recorded in multiple funds.

**Note 11: FUND BALANCE**

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

|                       | General Fund        | Other Federal<br>Programs | Sinking III<br>Fund | Non-Major<br>Funds | Total               |
|-----------------------|---------------------|---------------------------|---------------------|--------------------|---------------------|
| Nonspendable:         |                     |                           |                     |                    |                     |
| Inventory             | \$ -                | \$ -                      | \$ -                | \$ 172,790         | \$ 172,790          |
| Prepays               | 860,601             |                           | -                   | -                  | 860,601             |
| Restricted:           |                     |                           |                     |                    |                     |
| Debt service          | -                   | -                         | 7,149,122           | 21,785             | 7,170,907           |
| Capital projects      | -                   | -                         | -                   | 3,237,951          | 3,237,951           |
| Federal programs      |                     | -                         | -                   | -                  | -                   |
| Assigned:             |                     |                           |                     |                    |                     |
| Retiree obligations   | 583,164             | -                         | -                   | -                  | 583,164             |
| Workers' compensation | 275,000             | -                         | -                   | -                  | 275,000             |
| Emergency reserve     | 2,000,000           | -                         | -                   | -                  | 2,000,000           |
| Unassigned            | 6,458,709           | -                         | -                   | -                  | 6,458,709           |
| Total                 | <u>\$10,177,474</u> | <u>\$ -</u>               | <u>\$7,149,122</u>  | <u>\$3,432,526</u> | <u>\$20,759,122</u> |

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 12: 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, 2020 totaled \$1,562,214.

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

General Liability and Automobile Insurance

As of June 30, 2020, 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, 2020 totaled \$1,661,564. The changes in claims liability amounts were as follows for the fiscal years ended June 30, 2018, 2019 and 2020:

|   | Beginning<br>Fiscal Year<br>Liability | Claims and<br>Changes in<br>Estimates | Benefit<br>Payments<br>and Claims | Balance at<br>End of<br>Fiscal Year |
|---|---------------------------------------|---------------------------------------|-----------------------------------|-------------------------------------|
| Workers' compensation:                    |                                       |                                       |                                   |                                     |
| 2018                                      | \$ 1,562,214                          | 1,212,517                             | (1,399,954)                       | 1,374,777                           |
| 2019                                      | 1,374,777                             | 936,078                               | (934,157)                         | 1,376,698                           |
| 2020                                      | 1,376,698                             | 2,612,387                             | (1,012,312)                       | 2,976,773                           |
| Property damage and automotive liability: |                                       |                                       |                                   |                                     |
| 2018                                      | \$ 393,833                            | 37,076                                | (3,526)                           | 427,383                             |
| 2019                                      | 427,383                               | 707,913                               | (29,849)                          | 1,105,447                           |
| 2020                                      | 1,105,447                             | (352,152)                             | (187,920)                         | 565,375                             |



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
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**Note 12: RISK MANAGEMENT (CONTINUED)**

|        |    |           |           |             |           |
|--------|----|-----------|-----------|-------------|-----------|
| Total: |    |           |           |             |           |
| 2018   | \$ | 1,956,047 | 1,249,593 | (1,403,480) | 1,802,160 |
| 2019   |    | 1,802,160 | 1,643,991 | (964,006)   | 2,482,145 |
| 2020   |    | 2,482,145 | 2,260,235 | (1,200,232) | 3,542,148 |

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

**Note 13: 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 Louisiana or the Louisiana School Employees' Retirement System, 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](http://www.trsl.org) and [www.lsers.net](http://www.lsers.net), respectively.

**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 sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. 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.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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 members' maximum monthly benefit amount.

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

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 3rd 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 five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board ("SMDB") to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.



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**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of 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.

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, or 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

**St. John the Baptist Parish School Board**  
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**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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.

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA 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 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the system on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the 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 five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A member who joins the system on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the 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. 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



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
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**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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 LA 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 IBRP account are made in accordance with LA R.S. 11:1152(F)(3).

**Contributions**

**TRSL**

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee ("PRSAC") taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2020 are as follows:

| TRSL Sub Plan     | Contribution Rates |           |
|-------------------|--------------------|-----------|
|                   | School Board       | Employees |
| K-12 Regular Plan | 26.0%              | 8.0%      |
| Plan A            | 26.0%              | 8.0%      |
| Plan B            | 26.0%              | 5.0%      |

The School Board's contractually required composite contribution rate for the year ended June 30, 2020 was 26.0% 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.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

Contributions to the pension plan from the School Board were \$10,021,984 for the year ended June 30, 2020.

**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 Constitution. The actuarial required contribution rate for June 30, 2019 was 26.7%. The actual employer rate for the year ended June 30, 2020 was 29.4%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$1,074,392 for the year ended June 30, 2020.

**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, 2019 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 the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

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, 2019 and the change compared to the June 30, 2018 proportion.

|              | <b>Net Pension<br/>Liability at<br/>June 30, 2019</b> | <b>Proportion<br/>at<br/>June 30, 2019</b> | <b>Increase (Decrease)<br/>from June 30, 2018<br/>Proportion</b> |
|--------------|---|--|--|
| <b>TRSL</b>  | \$ 74,215,242   | 0.747787%                                  | (0.006274%)  |
| <b>LSERS</b> | 8,226,356   | 1.175090%                                  | (0.053071%)  |
|              | <u>\$ 82,441,598</u>                                  |  |  |

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
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**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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, 2020.

|              | <b>Pension<br/>Expense</b> | <b>Amortization</b> | <b>Total</b>        |
|--------------|----------------------------|---------------------|---------------------|
| <b>TRSL</b>  | \$ 7,484,486               | \$ 466,939          | \$ 7,951,425        |
| <b>LSERS</b> | 1,264,236                  | (7,285)             | 1,256,951           |
|              | <u>\$ 8,748,722</u>        | <u>\$ 459,654</u>   | <u>\$ 9,208,376</u> |

At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b><u>TRSL</u></b>  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ -  | \$ 2,319,252                                 |
| Changes in assumptions  | 5,276,108                                     | -  |
| Net difference between projected and actual earnings<br>on pension plan investments                                 | -   | 2,746,784                                    |
| Changes in proportion and differences between<br>employer contributions and proportionate share of<br>contributions | 4,053,567                                     | 1,103,125                                    |
| Employer contributions subsequent to the<br>measurement date  | 10,021,984                                    | -  |
| Total TRSL  | <u>\$ 19,351,659</u>                          | <u>\$ 6,169,161</u>                          |



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

| <b><u>LSERS</u></b>   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ -  | \$ 205,039                                   |
| Changes in assumptions  | 238,488                                       | -  |
| Net difference between projected and actual earnings<br>on pension plan investments                                 | 316,472                                       | -  |
| Changes in proportion and differences between<br>employer contributions and proportionate share of<br>contributions | 31,082  | 234,163                                      |
| Employer contributions subsequent to the<br>measurement date  | 1,074,392                                     | -  |
| Total LSERS   | \$ 1,660,434                                  | \$ 439,202                                   |

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

|              | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|--------------|---|--|
| <b>TRSL</b>  | \$19,351,659                                  | \$ 6,169,161                                 |
| <b>LSERS</b> | 1,660,434                                     | 439,202                                      |
|              | \$ 21,012,093                                 | \$ 6,608,363                                 |

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, 2021. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

|              | <b>Subsequent<br/>Contributions</b> |
|--------------|-------------------------------------|
| <b>TRSL</b>  | \$ 10,021,984                       |
| <b>LSERS</b> | 1,074,392                           |
|              | \$ 11,096,376                       |



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

| Years ending June 30: | Amount of Amortization |                   |                     |
|-----------------------|------------------------|-------------------|---------------------|
|                       | TRSL                   | LSERS             | Total               |
| 2021                  | \$ 859,141             | \$ 151,037        | \$ 1,010,178        |
| 2022                  | (280,619)              | (256,193)         | (536,812)           |
| 2023                  | 1,698,051              | 144,254           | 1,842,305           |
| 2024                  | 883,941                | 107,742           | 991,683             |
|                       | <u>\$ 3,160,514</u>    | <u>\$ 146,840</u> | <u>\$ 3,307,354</u> |

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

|   | TRSL   | LSERS  |
|---|--|--|
| <b>Valuation Date</b>                   | June 30, 2019  | June 30, 2019  |
| <b>Actuarial Cost Method</b>            | Entry Age Normal                                     | Entry Age Normal   |
| <b>Amortization Approach</b>            | Closed   |  |
| <b>Actuarial Assumptions:</b>           |  |  |
| <b>Expected Remaining Service Lives</b> | 5 years  | 3 years  |
| <b>Investment Rate of Return</b>        | 7.55% net of investment expenses                     | 7.00% net of investment expenses   |
| <b>Inflation Rate</b>                   | 2.50% per annum.                                     | 2.5%   |
| <b>Salary Increases</b>                 | 3.3% - 4.8% varies depending on duration of service. | 3.25% based on 2012-2017 experience study  |
| <b>Cost of Living Adjustments</b>       | 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. |

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

|  |   |  |
|--|---|--|
| <b>Mortality</b>                               | <p>Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.</p> <p>Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.</p> <p>Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.</p> <p>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.</p> | <p>RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Mortality Table</p>                                   |
| <b>Termination, Disability, and Retirement</b> | <p>Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members.</p>  | <p>Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the System's members.</p> |

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:

| <b>TRSL</b>  | <b>LSERS</b>  |
|--|---|
| <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**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (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, 2019:

| <b>Asset Class</b>                 | <b>Target Allocation</b> |              | <b>Long-Term Expected Portfolio Real Rate of Return</b> |              |
|------------------------------------|--------------------------|--------------|---|--------------|
|                                    | <b>TRSL</b>              | <b>LSERS</b> | <b>TRSL</b>   | <b>LSERS</b> |
| Domestic equity                    | 27.0%                    | 39.0%        | 4.60%   | 2.93%        |
| International equity               | 19.0%                    | -            | 5.70%   | -            |
| Domestic fixed income              | 13.0%                    | 26.0%        | 1.69%   | 1.07%        |
| International fixed income         | 5.5%                     | -            | 2.10%   | -            |
| Alternative investments            | -                        | 17.0%        | -   | 1.43%        |
| Private Equity                     | 25.5%                    | -            | 8.67%   | -            |
| Other Private Assets               | 10.0%                    | 12.0%        | 3.65%   | 0.73%        |
| Real assets                        | -                        | 6.0%         | -   | 0.60%        |
| Total                              | 100.0%                   | 100.0%       | n/a   | 6.76%        |
| International fixed income         |                          |              |   | 2.00%        |
| Expected Arithmetic Nominal Return |                          |              |   | 8.76%        |

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 7.55% and 7.00%, respectively, for the year ended June 30, 2019. The discount rates decreased 0.10% and 0.065%, respectively, from the discount rates used for the year ended June 30, 2018.

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 sponsor 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**  
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**June 30, 2020**

**Note 13: 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:

|               | <u>1.0% Decrease</u> | <u>Current Discount Rate</u> | <u>1.0% Increase</u> |
|---------------|----------------------|------------------------------|----------------------|
| <b>TRSL</b>   |                      |                              |                      |
| Discount rate | 6.55%                | 7.55%                        | 8.55%                |
| Share of NPL  | \$ 98,791,106        | \$ 74,215,242                | \$ 53,501,540        |
| <b>LSERS</b>  |                      |                              |                      |
| Discount rate | 6.00%                | 7.00%                        | 8.00%                |
| Share of NPL  | \$ 11,148,360        | \$ 8,226,356                 | \$ 5,728,451         |

**Support of Non-employer Contributing Entities**

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2020, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$305,472 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, 2020.

**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.la.gov](http://www.la.gov).



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 13: DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Payables to the Pension Plan**

As of June 30, 2020, the School Board had payables due to the pension plans totaling \$3,113,996. 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:

|       | <u>Payables</u>     |
|-------|---------------------|
| TRSL  | \$ 2,887,200        |
| LSERS | 226,796             |
|       | <u>\$ 3,113,996</u> |

**Note 13: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

**General Information about the OPEB Plan**

*Plan description* – The St. John the Baptist Parish School Board (the School Board) provides certain continuing health care and life insurance benefits for its retired employees. The St. John the Baptist Parish School Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the School Board. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*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 (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who become members of the system on and after January 1, 2011 must be at least age 60 at retirement (D.R.O.P. entry) to receive an unreduced retirement benefit.

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**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 14: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

*Employees covered by benefit terms* – At June 30, 2019, the following employees were covered by the benefit terms:

|  |                     |
|--|---------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 471                 |
| Inactive employees entitled to but not yet receiving benefit payments    | -                   |
| Active employees   | <u>768</u>          |
|  | <u><u>1,239</u></u> |

**Total OPEB Liability**

The School Board's total OPEB liability of \$98,374,083 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2018.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Inflation                   | 2.5%  |
| Salary increases            | 3.0%, including inflation                           |
| Discount rate               | 2.21% annually (As of End of Year Measurement Date) |
| Healthcare cost trend rates | 5.5% annually for ten years, 4.5% thereafter        |
| Mortality                   | SOA RP-2000 Table without projection                |

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 30, 2018.

**St. John the Baptist Parish School Board**  
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**June 30, 2020**

**Note 14: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

**Changes in the Total OPEB Liability**

|  |                      |
|--|----------------------|
| Balance at June 30, 2019                           | \$ 82,498,445        |
| Changes for the year:                              |                      |
| Service cost                                       | 1,713,191            |
| Interest   | 2,841,125            |
| Differences between expected and actual experience | (3,300,358)          |
| Changes of assumptions                             | 17,268,590           |
| Benefit payments and net transfers                 | (2,646,910)          |
| Net changes  | 15,875,638           |
| Balance at June 30, 2020                           | <u>\$ 98,374,083</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 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

|                      | <b>1.0% Decrease<br/>(1.21%)</b> | <b>Current Discount<br/>Rate (2.21%)</b> | <b>1.0% Increase<br/>(3.21%)</b> |
|----------------------|----------------------------------|--|----------------------------------|
| Total OPEB liability | \$ 116,993,435                   | \$ 98,374,083                            | \$ 83,844,118                    |

*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 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

|                      | <b>1.0% Decrease<br/>(4.5%)</b> | <b>Current Trend<br/>(5.5%)</b> | <b>1.0% Increase<br/>(6.5%)</b> |
|----------------------|---------------------------------|---------------------------------|---------------------------------|
| Total OPEB liability | \$ 88,053,763                   | \$ 98,374,083                   | \$ 111,498,669                  |



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 14: POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)**

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

For the year ended June 30, 2020, the School Board recognized OPEB expense of \$6,856,860. At June 30, 2020, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,684,702                      | \$ (8,777,265)                   |
| Assumption changes                                 | 17,343,723                        | (2,632,813)                      |
| <b>Total</b>                                       | <b>\$ 19,028,425</b>              | <b>\$ (11,410,078)</b>           |

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

| Years ending June 30: |             |
|-----------------------|-------------|
| 2021                  | 2,302,544   |
| 2022                  | 2,302,544   |
| 2023                  | 2,302,545   |
| 2024                  | 2,302,545   |
| 2025                  | (491,104)   |
| Thereafter            | (1,100,727) |

**Note 15: COMMITMENTS AND CONTINGENCIES**

At June 30, 2020, 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.

Amounts of claims classified as "probable" have been accrued as claims payable, as explained in Note 11. 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.



**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 15: COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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 16: 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, Sheriff's Department and the School Board. The sales and use tax distributed, on a cash basis, for the year ending June 30, 2020 is as follows:

|                      | <u>Tax<br/>Rate</u> | <u>Total<br/>Collections</u> | <u>Collection<br/>Fees</u> | <u>Final<br/>Distribution</u> |
|----------------------|---------------------|------------------------------|----------------------------|-------------------------------|
| School Board         | 2.50%               | \$ 30,917,726                | \$ 615,641                 | \$ 30,302,085                 |
| Parish Council       | 2.25%               | 27,103,125                   | 539,112                    | 26,564,013                    |
| Sheriff's Department | 0.50%               | <u>6,106,123</u>             | <u>121,735</u>             | <u>5,984,388</u>              |
| Total                |                     | <u>\$ 64,126,974</u>         | <u>\$ 1,276,488</u>        | <u>\$ 62,850,486</u>          |

**Note 17: TAX ABATEMENTS**

The Industrial Tax Exemption Program ("ITEP") is a full, 100 percent 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 often (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.

**St. John the Baptist Parish School Board**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 17: TAX ABATEMENTS (CONTINUED)**

As of June 30, 2020, six industrial companies located in St. John the Baptist Parish are currently under the Industrial Tax Exemption program. The typical term of these agreements are for ten years and provided Ad Valorem tax abatement during the year of 2020 in the amount of \$13,062,138.

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 18: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the School Board. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of the date of this report.

**Note 19: SUBSEQUENT EVENTS**

Management evaluated all events or transactions that occurred after July 1, 2019 through November 19, 2021, the date the current year's financial statements were available to be issued. The following events occurred:

On August 29, 2021, Hurricane Ida, a category 4 hurricane at landfall, passed through St. John the Baptist Parish causing significant damage to School Board property and closing of schools. At the time of issuance of these financial statements, the full impact of the damages and their effects on the School Board's financial statements have not been determined.

**REQUIRED SUPPLEMENTARY INFORMATION -**

**PART II**



**St. John the Baptist Parish School Board  
Budgetary Comparison Schedules  
General Fund and Major Special Revenue Funds  
With Legally Adopted Budgets  
June 30, 2020**

**GENERAL FUND**

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

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**

**Budgetary Comparison Schedule**

**General Fund**

**June 30, 2020**

|   | Original<br>Budget  | Final<br>Budget     | Actual               | Variance<br>With final<br>Budget-<br>Over<br>(Under) |
|---|---------------------|---------------------|----------------------|--|
| <b>REVENUES</b>                                     |                     |                     |                      |  |
| Local sources:                                      |                     |                     |                      |  |
| Total Local Sources                                 | \$ 35,307,936       | \$ 42,273,699       | \$ 41,008,629        | \$ (1,265,070)                                       |
| State sources:                                      |                     |                     |                      |  |
| Total State Sources                                 | 30,522,143          | 31,181,189          | 31,514,992           | 333,803  |
| Federal sources                                     | -                   | -                   | 833,633              | 833,633  |
| <b>TOTAL REVENUES</b>                               | <b>65,830,079</b>   | <b>73,454,888</b>   | <b>73,357,254</b>    | <b>(97,634)</b>                                      |
| <b>EXPENDITURES</b>                                 |                     |                     |                      |  |
| Current:  |                     |                     |                      |  |
| Instruction   | 49,537,193          | 48,849,423          | 42,478,581           | (6,370,842)  |
| Support services                                    | 23,819,910          | 24,935,395          | 29,148,086           | 4,212,691  |
| Capital outlay                                      | -                   | -                   | 35,786               | 35,786   |
| Debt service:                                       |                     |                     |                      |  |
| Principal retirement                                | -                   | -                   | 307,692              | 307,692  |
| Interest and bank charges                           | -                   | -                   | 15,140               | 15,140   |
| Total expenditures                                  | 73,357,103          | 73,784,818          | 71,985,285           | (1,799,533)  |
| <b>DEFICIENCY OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(7,527,024)</b>  | <b>(329,930)</b>    | <b>1,371,969</b>     | <b>1,701,899</b>                                     |
| <b>OTHER FINANCING<br/>SOURCES (USES):</b>          |                     |                     |                      |  |
| Transfers in  | -                   | -                   | -                    | -  |
| Transfers out                                       | -                   | -                   | (1,848,113)          | (1,848,113)  |
| Total other financing<br>sources (uses)             | -                   | -                   | (1,848,113)          | (1,848,113)  |
| <b>NET CHANGE IN<br/>FUND BALANCES</b>              | <b>(7,527,024)</b>  | <b>(329,930)</b>    | <b>(476,144)</b>     | <b>(146,214)</b>                                     |
| <b>FUND BALANCES<br/>Beginning</b>                  | <b>9,256,464</b>    | <b>9,256,464</b>    | <b>11,053,468</b>    | <b>1,797,004</b>                                     |
| <b>FUND BALANCES - ENDING</b>                       | <b>\$ 1,729,440</b> | <b>\$ 8,926,534</b> | <b>\$ 10,577,324</b> | <b>\$ 1,650,790</b>                                  |

**St. John the Baptist Parish School Board**  
**Budgetary Comparison Schedule**  
**Other Federal Programs Special Revenue Fund**  
**June 30, 2020**

|   | Original<br>Budget | Final<br>Budget  | Actual              | Variance<br>With final<br>Budget-<br>Over<br>(Under) |
|---|--------------------|------------------|---------------------|--|
| <b>REVENUES</b>                                 |                    |                  |                     |  |
| State sources:                                  |                    |                  |                     |  |
| Other   | \$ -               | \$ 1,221,272     | \$ -                | \$ (1,221,272)                                       |
| Federal sources                                 | 8,784,764          | 6,555,823        | 6,283,144           | (272,679)  |
| <b>TOTAL REVENUES</b>                           | <b>8,784,764</b>   | <b>7,777,095</b> | <b>6,283,144</b>    | <b>(1,493,951)</b>                                   |
| <b>EXPENDITURES</b>                             |                    |                  |                     |  |
| Instruction                                     | 8,034,764          | 7,777,095        | 7,613,705           | (163,390)  |
| Support services                                | -                  | -                | 151,925             | 151,925  |
| Capital Outlay                                  | 750,000            | -                | 15,141              | 15,141   |
| Total expenditures                              | 8,784,764          | 7,777,095        | 7,780,771           | 3,676  |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <b>-</b>           | <b>-</b>         | <b>(1,497,627)</b>  | <b>(1,497,627)</b>                                   |
| <b>OTHER FINANCING<br/>SOURCES (USES):</b>      |                    |                  |                     |  |
| Transfers in                                    | -                  | -                | 814,502             | 814,502  |
| Transfers out                                   | -                  | -                | -                   | -  |
| Total other financing sources (uses)            | -                  | -                | 814,502             | 814,502  |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b>-</b>           | <b>-</b>         | <b>(683,125)</b>    | <b>(683,125)</b>                                     |
| <b>FUND BALANCES</b>                            |                    |                  |                     |  |
| Beginning                                       | -                  | -                | (140,633)           | (140,633)  |
| <b>FUND BALANCES - ENDING</b>                   | <b>\$ -</b>        | <b>\$ -</b>      | <b>\$ (823,758)</b> | <b>\$ (823,758)</b>                                  |



**St. John the Baptist Parish School Board**  
**Notes to the Required Supplementary Information**  
**June 30, 2020**

**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 Benefit Terms***

**Teachers' Retirement System of Louisiana** - For the year ended June 30, 2016, members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining age 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

**Louisiana School Employees' Retirement System** - There were no changes of benefit terms for the year ended June 30, 2019.

***Changes of Assumptions***

**Teachers' Retirement System of Louisiana** – For the actuarial valuation for the year ended June 30, 2017, the investment rate of return decreased from 7.75% to 7.70% and for the actuarial valuation for the year ended June 30, 2018, the discount rate decreased from 7.70% to 7.65%. For actuarial valuation for the year ended June 30, 2019, the discount rate decreased from 7.65% to 7.55%.

**Louisiana School Employees' Retirement System** – For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.125% to 7.0625%, inflation rate was decreased from 2.625% to 2.5% and salary increases were decreased from a range of 3.075% to 5.375% to 3.25%. For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.000% to 7.125%, inflation rate was decreased from 2.75% to 2.625% and salary increases were decreased from a range of 3.2% to 5.5% to a range of 3.075% to 5.375%. For the actuarial valuation for the year ended June 30, 2019, the discount rate was decreased from 7.0625% to 7.00%.

**St. John the Baptist Parish School Board**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2020**

| <b>Total OPEB Liability</b>                                      | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|----------------------|
| Service cost   | \$ 1,713,191         | \$ 1,734,506         | \$ 1,674,311         |
| Interest   | 2,841,125            | 3,189,888            | 2,936,205            |
| Changes of benefit terms   | -                    | -                    | -                    |
| Differences between expected and actual experience               | (3,300,358)          | (7,890,401)          | 2,316,466            |
| Changes of assumptions   | 17,268,590           | 4,537,095            | (3,620,116)          |
| Benefit payments   | (2,646,910)          | (2,997,387)          | (2,798,050)          |
| <b>Net change in total OPEB liability</b>                        | <b>15,875,638</b>    | <b>(1,426,299)</b>   | <b>508,816</b>       |
| <b>Total OPEB liability - beginning</b>                          | <b>82,498,445</b>    | <b>83,924,744</b>    | <b>83,415,928</b>    |
| <b>Total OPEB liability - ending</b>                             | <b>\$ 98,374,083</b> | <b>\$ 82,498,445</b> | <b>\$ 83,924,744</b> |
| Covered-employee payroll   | \$ 33,117,946        | \$ 31,844,179        | \$ 32,547,947        |
| Total OPEB liability as a percentage of covered-employee payroll | 297.04%              | 259.07%              | 257.86%              |

**Notes to Schedule:**

*Benefits Changes.* There were no changes of benefit terms for the valuations years ended June 30, 2020.

*Changes of Assumptions.* The discount rate as of June 30, 2018 was 3.87% and it decreased to 3.50% as of June 30, 2019. The discount rate decreased to 2.21% as of June 30, 2020.

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**  
**Schedule of Proportionate Share of Net Pension Liability for Retirement Systems**  
**Last Six Fiscal Years**

| For the<br>Year Ended<br>June 30,                    | Agency's<br>proportion of<br>the net pension<br>liability (asset) | Agency's<br>proportionate share<br>of the net pension<br>liability (asset) | Agency's<br>covered<br>payroll | Agency's<br>Proportionate share<br>of the net pension<br>liability (asset) as a<br>percentage of its<br>covered<br>payroll | Plan fiduciary<br>net position<br>as a percentage<br>of the total<br>pension liability |
|--|---|--|--------------------------------|--|--|
| <b>Teachers' Retirement System of Louisiana</b>      |   |  |                                |  |  |
| 2020   | 0.747787%   | \$ 74,215,242  | \$ 37,834,666                  | 196.00%  | 68.60%   |
| 2019   | 0.754061%   | \$ 74,109,265  | \$ 36,080,046                  | 205.00%  | 68.20%   |
| 2018   | 0.714060%   | \$ 73,204,349  | \$ 33,652,839                  | 218.00%  | 65.60%   |
| 2017   | 0.716570%   | \$ 84,103,727  | \$ 33,637,627                  | 250.00%  | 59.90%   |
| 2016   | 0.738248%   | \$ 79,378,471  | \$ 34,972,099                  | 227.00%  | 62.50%   |
| 2015   | 0.756970%   | \$ 77,373,190  | \$ 34,577,664                  | 224.00%  | 63.70%   |
| <b>Louisiana School Employees' Retirement System</b> |   |  |                                |  |  |
| 2020   | 1.175090%   | \$ 8,226,356   | \$ 3,654,394                   | 225.00%  | 73.50%   |
| 2019   | 1.228161%   | \$ 8,205,802   | \$ 3,453,933                   | 238.00%  | 74.40%   |
| 2018   | 1.215070%   | \$ 7,775,561   | \$ 3,473,701                   | 224.00%  | 75.00%   |
| 2017   | 1.175494%   | \$ 8,867,307   | \$ 3,341,768                   | 265.00%  | 70.09%   |
| 2016   | 1.178312%   | \$ 7,471,995   | \$ 3,327,727                   | 225.00%  | 74.49%   |
| 2015   | 1.161828%   | \$ 6,734,956   | \$ 3,209,158                   | 210.00%  | 76.18%   |

\*Amounts presented were determined as of the measurement date (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**  
**Schedule of Employer Contributions to Retirement Systems**  
**Last Seven Fiscal Years**

| For the<br>Year Ended<br>June 30,                    | (a)<br>Statutorily<br>Required<br>Contribution | (b)<br>Contributions<br>in relation to the<br>statutorily<br>required contribution | (a-b)<br>Contribution<br>Deficiency (Excess) | Agency's<br>covered<br>payroll | Contributions<br>as a percentage of<br>covered<br>payroll |
|--|--|--|--|--------------------------------|---|
| <b>Teachers' Retirement System of Louisiana</b>      |  |  |  |                                |   |
| 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%   |
| <b>Louisiana School Employees' Retirement System</b> |  |  |  |                                |   |
| 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%   |

\*Amounts presented were determined as of the end of the fiscal year.

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

## OTHER SUPPLEMENTARY INFORMATION

## **St. John the Baptist Parish School Board Non-Major Funds Descriptions**

### **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.

### **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 project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individual, private organizations, or other governments. Separate capital project 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.

Capital 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.



**St. John the Baptist Parish School Board**  
**Non-Major Funds Descriptions**

**DEBT SERVICE FUNDS**

The Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. 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.

Sinking II Fund

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**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2020**

|  | Special Revenue                                |                               | Debt<br>Service     | Construction Funds                  |                                      | Total<br>Non-major<br>Government<br>Funds |
|--|--|-------------------------------|---------------------|-------------------------------------|--------------------------------------|---|
|  | Improving<br>America's<br>Schools<br>(Title I) | School<br>Lunch/<br>Breakfast | Sinking<br>Fund II  | Construction<br>Projects II<br>Fund | Construction<br>Projects III<br>Fund |   |
| <b>ASSETS</b>                                  |  |                               |                     |                                     |                                      |   |
| Cash and cash equivalents                      | \$ 566,952                                     | \$ 1,686,243                  | \$ 1,104,599        | \$ 739,345                          | \$ 238,891                           | \$ 4,336,030                              |
| Interfund receivables                          | 310,693  | 768,722                       | 528,246             | 1,932,797                           | 4,271                                | 3,544,729                                 |
| Due from other governments                     | 1,407,293                                      | -                             | -                   | -                                   | -                                    | 1,407,293                                 |
| Other receivables                              | -  | -                             | -                   | 573,537                             | -                                    | 573,537                                   |
| Inventory                                      | -  | 172,790                       | -                   | -                                   | -                                    | 172,790                                   |
| <b>TOTAL ASSETS</b>                            | <b>\$ 2,284,938</b>                            | <b>\$ 2,627,755</b>           | <b>\$ 1,632,845</b> | <b>\$ 3,245,679</b>                 | <b>\$ 243,162</b>                    | <b>\$ 10,034,379</b>                      |
| <b>LIABILITIES AND FUND BALANCES</b>           |  |                               |                     |                                     |                                      |   |
| Liabilities:                                   |  |                               |                     |                                     |                                      |   |
| Accounts, salaries, and other payables         | \$ 40,584                                      | \$ -                          | \$ -                | \$ 7,728                            | \$ -                                 | \$ 48,312                                 |
| Interfund payables                             | 2,244,354                                      | 2,454,965                     | 1,611,060           | -                                   | 243,162                              | 6,553,541                                 |
| Total Liabilities                              | 2,284,938                                      | 2,454,965                     | 1,611,060           | 7,728                               | 243,162                              | 6,601,853                                 |
| Fund balances:                                 |  |                               |                     |                                     |                                      |   |
| Nonspendable                                   | -  | 172,790                       | -                   | -                                   | -                                    | 172,790                                   |
| Restricted                                     | -  | -                             | 21,785              | 3,237,951                           | -                                    | 3,259,736                                 |
| Unassigned                                     | -  | -                             | -                   | -                                   | -                                    | -   |
| Total Fund Balances                            | -  | 172,790                       | 21,785              | 3,237,951                           | -                                    | 3,432,526                                 |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 2,284,938</b>                            | <b>\$ 2,627,755</b>           | <b>\$ 1,632,845</b> | <b>\$ 3,245,679</b>                 | <b>\$ 243,162</b>                    | <b>\$ 10,034,379</b>                      |

**St. John the Baptist Parish School Board**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2020**

|  | Special Revenue                       |                        | Debt Service       | Construction Funds            |                                | Total Non-major Government Funds |
|--|---------------------------------------|------------------------|--------------------|-------------------------------|--------------------------------|----------------------------------|
|  | Improving America's Schools (Title I) | School Lunch/Breakfast | Sinking II Fund    | Construction Projects II Fund | Construction Projects III Fund |                                  |
| <b>REVENUES</b>  |                                       |                        |                    |                               |                                |                                  |
| Local sources:   |                                       |                        |                    |                               |                                |                                  |
| Taxes:   |                                       |                        |                    |                               |                                |                                  |
| Sales and use  | \$ -                                  | \$ -                   | \$ -               | \$ 4,132,697                  | \$ -                           | \$ 4,132,697                     |
| Interest earnings  | -                                     | 3,201                  | 4,400              | 3,943                         | 1,787                          | 13,331                           |
| Charges for services                                     | -                                     | 118,722                | -                  | -                             | -                              | 118,722                          |
| Total local sources                                      | -                                     | 121,923                | 4,400              | 4,136,640                     | 1,787                          | 4,264,750                        |
| State sources:   |                                       |                        |                    |                               |                                |                                  |
| Minimum Foundation Program                               | -                                     | 50,075                 | -                  | -                             | -                              | 50,075                           |
| Total State Sources                                      | -                                     | 50,075                 | -                  | -                             | -                              | 50,075                           |
| Federal sources  | 2,434,351                             | 3,339,195              | -                  | -                             | -                              | 5,773,546                        |
| <b>TOTAL REVENUES</b>                                    | <b>2,434,351</b>                      | <b>3,511,193</b>       | <b>4,400</b>       | <b>4,136,640</b>              | <b>1,787</b>                   | <b>10,088,371</b>                |
| <b>EXPENDITURES</b>                                      |                                       |                        |                    |                               |                                |                                  |
| Instruction  | 2,220,993                             | -                      | -                  | -                             | -                              | 2,220,993                        |
| Support services   | 524,051                               | 4,153,526              | -                  | 581,725                       | -                              | 5,259,302                        |
| Capital outlay   | -                                     | 6,496                  | -                  | 200,620                       | 80,357                         | 287,473                          |
| Debt service:  |                                       |                        |                    |                               |                                |                                  |
| Principal retirement                                     | -                                     | -                      | 740,000            | -                             | -                              | 740,000                          |
| Interest and bank charges                                | -                                     | -                      | 428,857            | -                             | -                              | 428,857                          |
| <b>TOTAL EXPENDITURES</b>                                | <b>2,745,044</b>                      | <b>4,160,022</b>       | <b>1,168,857</b>   | <b>782,345</b>                | <b>80,357</b>                  | <b>8,936,625</b>                 |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>(310,693)</b>                      | <b>(648,829)</b>       | <b>(1,164,457)</b> | <b>3,354,295</b>              | <b>(78,570)</b>                | <b>1,151,746</b>                 |
| <b>OTHER FINANCING SOURCES (Uses)</b>                    |                                       |                        |                    |                               |                                |                                  |
| Transfers in   | 310,693                               | 718,647                | 1,696,902          | -                             | 4,271                          | 2,730,513                        |
| Transfers out  | -                                     | -                      | (528,246)          | (1,168,656)                   | -                              | (1,696,902)                      |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>              | <b>310,693</b>                        | <b>718,647</b>         | <b>1,168,656</b>   | <b>(1,168,656)</b>            | <b>4,271</b>                   | <b>1,033,611</b>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <b>-</b>                              | <b>69,818</b>          | <b>4,199</b>       | <b>2,185,639</b>              | <b>(74,299)</b>                | <b>2,185,357</b>                 |
| <b>FUND BALANCE - BEGINNING</b>                          | <b>-</b>                              | <b>102,972</b>         | <b>17,586</b>      | <b>1,052,312</b>              | <b>74,299</b>                  | <b>1,247,169</b>                 |
| <b>FUND BALANCE - ENDING</b>                             | <b>\$ -</b>                           | <b>\$ 172,790</b>      | <b>\$ 21,785</b>   | <b>\$ 3,237,951</b>           | <b>\$ -</b>                    | <b>\$ 3,432,526</b>              |

**St. John the Baptist Parish School Board**  
**Budgetary Comparison Schedule**  
**Improving America's Schools Act (Title I) Fund**  
**For the Year Ended June 30, 2020**

|   | Original<br>Budget | Final<br>Budget  | Actual           | Variance<br>With final<br>Budget-<br>Over<br>(Under) |
|---|--------------------|------------------|------------------|--|
| <b>REVENUES</b>                                 |                    |                  |                  |  |
| Other   | \$ -               | \$ 279,230       | \$ -             | \$ (279,230)   |
| Federal sources                                 | 4,344,160          | 2,460,012        | 2,434,351        | (25,661)   |
| <b>TOTAL REVENUES</b>                           | <b>4,344,160</b>   | <b>2,739,242</b> | <b>2,434,351</b> | <b>(304,891)</b>                                     |
| <b>EXPENDITURES</b>                             |                    |                  |                  |  |
| Instruction                                     | 4,344,160          | 2,739,242        | 2,220,993        | 518,249  |
| Support services                                | -                  | -                | 524,051          | (524,051)  |
| Total expenditures                              | 4,344,160          | 2,739,242        | 2,745,044        | (5,802)  |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>-</b>           | <b>-</b>         | <b>(310,693)</b> | <b>(310,693)</b>                                     |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                    |                  |                  |  |
| Transfers in                                    | -                  | -                | 310,693          | 310,693  |
| Transfers out                                   | -                  | -                | -                | -  |
| Total other financing sources (uses)            | -                  | -                | 310,693          | 310,693  |
| <b>NET CHANGE IN FUND BALANCES</b>              | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>   |
| <b>FUND BALANCES</b>                            |                    |                  |                  |  |
| Beginning                                       | -                  | -                | -                | -  |
| <b>FUND BALANCES, Ending</b>                    | <b>\$ -</b>        | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>  |



**St. John the Baptist Parish School Board**  
**Budgetary Comparison Schedule**  
**Lunch/Breakfast Special Revenue Fund**  
**For the Year Ended June 30, 2020**

|  | Original<br>Budget | Final<br>Budget  | Actual            | Variance<br>With final<br>Budget-<br>Over<br>(Under) |
|--|--------------------|------------------|-------------------|--|
| <b>REVENUES</b>  |                    |                  |                   |  |
| Local sources:   |                    |                  |                   |  |
| Interest earnings  | \$ -               | \$ -             | \$ 3,201          | \$ 3,201   |
| Charges for services   | 120,000            | 100,025          | 118,722           | 18,697   |
| Total Local Sources  | 120,000            | 100,025          | 121,923           | 21,898   |
| State sources:   |                    |                  |                   |  |
| Minimum Foundation Program                                   | 380,906            | 50,075           | 50,075            | -  |
| Other  | -                  | 678,697          | -                 | (678,697)  |
| Total State Sources  | 380,906            | 728,772          | 50,075            | (678,697)  |
| Federal sources  | 4,008,158          | 3,066,871        | 3,339,195         | 272,324  |
| <b>TOTAL REVENUES</b>  | <b>4,509,064</b>   | <b>3,895,668</b> | <b>3,511,193</b>  | <b>(384,475)</b>                                     |
| <b>EXPENDITURES</b>  |                    |                  |                   |  |
| Current:   |                    |                  |                   |  |
| Support services   | 4,508,510          | 3,998,640        | 4,153,526         | 154,886  |
| Capital Outlay   | -                  | -                | 6,496             | 6,496  |
| Total expenditures   | 4,508,510          | 3,998,640        | 4,160,022         | 161,382  |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | <b>554</b>         | <b>(102,972)</b> | <b>(648,829)</b>  | <b>(545,857)</b>                                     |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                    |                  |                   |  |
| Transfers in   | -                  | -                | 718,647           | 718,647  |
| Total other financing sources (uses)                         | -                  | -                | 718,647           | 718,647  |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>554</b>         | <b>(102,972)</b> | <b>69,818</b>     | <b>172,790</b>                                       |
| <b>FUND BALANCES</b>   |                    |                  |                   |  |
| Beginning  | 192,888            | 192,888          | 102,972           | (89,916)   |
| <b>FUND BALANCES, Ending</b>                                 | <b>\$ 193,442</b>  | <b>\$ 89,916</b> | <b>\$ 172,790</b> | <b>\$ 82,874</b>                                     |

## **St. John the Baptist Parish School Board Fiduciary Type Funds - Agency Funds Descriptions**

Agency Funds account for assets held by an entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

### School Activity Fund

The activities of the various individual school accounts are accounted for in the School Activity Fund. While the fund is under the supervision of the School Board, these monies belong to the individual schools or their student bodies and are not available for use by the School Board.

### Sales Tax Fund

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

**St. John the Baptist Parish School Board**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**June 30, 2020**

|                                    | <u>School<br/>Activity<br/>Fund</u> | <u>Sales<br/>Tax Fund</u>  | <u>Total</u>               |
|------------------------------------|-------------------------------------|----------------------------|----------------------------|
| <b>Assets</b>                      |                                     |                            |                            |
| Cash and cash equivalents          | <u>\$ 418,007</u>                   | <u>\$ 2,828,521</u>        | <u>\$ 3,246,528</u>        |
| <b>Total assets</b>                | <u><u>\$ 418,007</u></u>            | <u><u>\$ 2,828,521</u></u> | <u><u>\$ 3,246,528</u></u> |
| <b>Liabilities</b>                 |                                     |                            |                            |
| Accounts payable                   | \$ -                                | \$ 2,828,521               | \$ 2,828,521               |
| Amounts held for school activities | <u>418,007</u>                      | <u>-</u>                   | <u>418,007</u>             |
| <b>Total liabilities</b>           | <u><u>\$ 418,007</u></u>            | <u><u>\$ 2,828,521</u></u> | <u><u>\$ 3,246,528</u></u> |

**St. John the Baptist Parish School Board**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2020**

|   | Balance<br>June 30,<br>2019 | Additions            | Deductions           | Balance<br>June 30,<br>2020 |
|---|-----------------------------|----------------------|----------------------|-----------------------------|
| <b>School Activity Fund</b>                   |                             |                      |                      |                             |
| Assets:                                       |                             |                      |                      |                             |
| Cash and cash equivalents                     | \$ 323,326                  | \$ 1,413,586         | \$ 1,318,905         | \$ 418,007                  |
| Total assets                                  | <u>\$ 323,326</u>           | <u>\$ 1,413,586</u>  | <u>\$ 1,318,905</u>  | <u>\$ 418,007</u>           |
| Liabilities:                                  |                             |                      |                      |                             |
| Amounts held<br>for school activities         | \$ 323,326                  | \$ 1,413,586         | \$ 1,318,905         | \$ 418,007                  |
| Total liabilities                             | <u>\$ 323,326</u>           | <u>\$ 1,413,586</u>  | <u>\$ 1,318,905</u>  | <u>\$ 418,007</u>           |
| <b>Sales Tax Fund</b>                         |                             |                      |                      |                             |
| Assets:                                       |                             |                      |                      |                             |
| Cash and cash equivalents                     | \$ 2,742,323                | \$ 69,208,287        | \$ 69,122,089        | \$ 2,828,521                |
| Total assets                                  | <u>\$ 2,742,323</u>         | <u>\$ 69,208,287</u> | <u>\$ 69,122,089</u> | <u>\$ 2,828,521</u>         |
| Liabilities:                                  |                             |                      |                      |                             |
| Accounts payable                              | \$ 2,507,941                | \$ 489,968           | \$ 169,388           | 2,828,521                   |
| Due to St. John School Board                  | 105,226                     | 41,339,755           | 41,444,981           | -                           |
| Due to Sheriff                                | 23,475                      | 105,666              | 129,141              | -                           |
| Due to St. John the Baptist<br>Parish Council | 105,681                     | 27,901,226           | 28,006,907           | -                           |
| Total liabilities                             | <u>\$ 2,742,323</u>         | <u>\$ 69,836,616</u> | <u>\$ 69,750,418</u> | <u>\$ 2,828,521</u>         |
| <b>Total Agency Funds</b>                     |                             |                      |                      |                             |
| Assets:                                       |                             |                      |                      |                             |
| Cash and cash equivalents                     | \$ 3,065,649                | \$ 70,621,873        | \$ 70,440,994        | \$ 3,246,528                |
| Total assets                                  | <u>\$ 3,065,649</u>         | <u>\$ 70,621,873</u> | <u>\$ 70,440,994</u> | <u>\$ 3,246,528</u>         |
| Liabilities:                                  |                             |                      |                      |                             |
| Accounts payable                              | \$ 2,507,941                | \$ 489,968           | \$ 169,388           | \$ 2,828,521                |
| Due to St. John School Board                  | 105,226                     | 41,339,755           | 41,444,981           | -                           |
| Due to Sheriff                                | 23,475                      | 105,666              | 129,141              | -                           |
| Due to St. John the Baptist<br>Parish Council | 105,681                     | 27,901,226           | 28,006,907           | -                           |
| Amounts held for school activities            | 323,326                     | 1,413,586            | 1,318,905            | 418,007                     |
| Total liabilities                             | <u>\$ 3,065,649</u>         | <u>\$ 71,250,202</u> | <u>\$ 71,069,323</u> | <u>\$ 3,246,528</u>         |



**St. John the Baptist Parish School Board**  
**Schedule of Changes in Deposit Balances of Individual Schools**  
**School Activity Agency Fund**  
**For the Year Ended June 30, 2020**

**SCHOOL ACTIVITY AGENCY FUND**

|                                   | BALANCE<br>June 30,<br>2019 | ADDITION            | DEDUCTION           | BALANCE<br>June 30,<br>2020 |
|-----------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|
| East St. John High School         | \$ 84,265                   | \$ 586,720          | \$ 592,862          | \$ 78,123                   |
| East St. John Elementary School   | 16,828                      | 73,753              | 63,302              | 27,279                      |
| Emily C Watkins                   | 38,470                      | 47,682              | 35,707              | 50,445                      |
| Fifth Ward Elementary School      | 10,788                      | 34,579              | 34,201              | 11,166                      |
| Garyville/Mt. Airy Magnet School  | 12,326                      | 17,641              | 9,630               | 20,337                      |
| Lake Pontchartrain                | 74,070                      | 67,845              | 74,611              | 67,304                      |
| John L. Ory School                | 15,319                      | 120,795             | 108,835             | 27,279                      |
| LaPlace Elementary School         | 29,021                      | 90,568              | 93,587              | 26,002                      |
| Leon Godchaux Junior High School  | 5,747                       | 48,074              | 20,727              | 33,094                      |
| St. John Child Development Center | -                           | -                   | -                   | -                           |
| West St. John Elementary School   | 14,060                      | 49,846              | 47,991              | 15,915                      |
| West St. John High School         | 22,431                      | 276,083             | 237,452             | 61,062                      |
| Total                             | <u>\$ 323,326</u>           | <u>\$ 1,413,586</u> | <u>\$ 1,318,905</u> | <u>\$ 418,007</u>           |

**St. John the Baptist Parish School Board**  
**Schedule of Compensation Paid to School Board Members**  
**For the Year Ended June 30, 2020**

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

**St. John the Baptist Parish School Board**  
**Schedule of Compensation, Benefits and Other Payments Paid to Superintendent**  
**For the Year Ended June 30, 2020**

The schedule of compensation paid to the Superintendent is presented in compliance with Act 706 of the 2014 Regular Session of the Louisiana Legislature (LSA-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.

**Interim Superintendent: Heidi A. Trosclair - July 2019 - December 2019**

| <u>Purpose</u>                         | <u>Amount</u> |
|--|---------------|
| Salary                                 | \$ 107,606    |
| Benefits - Retirement                  | -             |
| Benefits - Insurance                   | 3,281 *       |
| Vehicle provided                       | 6,550         |
| Reimbursements                         | 634           |
| Conference travel                      | -             |
| Continuing professional education fees | -             |
|  | <hr/>         |
| Total                                  | \$ 118,071    |
|  | <hr/> <hr/>   |

**Interim Superintendent: Cory L. Butler - January 2020 - June 2020**

| <u>Purpose</u>                         | <u>Amount</u> |
|--|---------------|
| Salary                                 | \$ 77,791     |
| Benefits - Retirement                  | 21,693        |
| Benefits - Insurance                   | 7,140         |
| Vehicle provided                       | 6,050         |
| Reimbursements                         | -             |
| Conference travel                      | -             |
| Continuing professional education fees | -             |
|  | <hr/>         |
| Total                                  | \$ 112,674    |
|  | <hr/> <hr/>   |

\* Life, Health, and Dental

**SCHEDULES REQUIRED BY STATE LAW**

**(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

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

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of St. John the Baptist Parish School Board ("the School Board") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education ("BESE") Bulletin. The School Board is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

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

1. We selected a random sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue

Results: No exceptions were found as a result of applying the procedures.

#### 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 1, 2019 roll books for those classes and observed that the class was properly classified on the schedule.

Results: No exceptions were found as a result of applying the procedures.

#### Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained October 1, 2019 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: The School Board did not provide an October 1, 2019 PEP report; therefore, procedures could not be applied. See corrective action plan on page 78.

#### Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30, 2020 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: The School Board did not submit a June 30, 2020 PEP Report; therefore, procedures could not be applied. See corrective action plan on page 78.

This agreed-upon procedures engagement was performed 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, 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 were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion or conclusion, respectively on the performance and statistical data accompanying the annual financial statements of the St. John the Baptist Parish School Board. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the St. John the Baptist Parish 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.

*Cam, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
November 19, 2021

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2020**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

|  |               |               |
|--|---------------|---------------|
| Classroom Teacher Salaries                       | \$ 22,889,498 |               |
| Other Instructional Staff Activities             | 2,879,177     |               |
| Employee Benefits                                | 13,960,471    |               |
| Purchased Professional and Technical Services    | 67,612        |               |
| Instructional Materials and Supplies             | 1,791,603     |               |
| Instructional Equipment                          | -             |               |
| Total Teacher and Student Interaction Activities |               | \$ 41,588,361 |

|                                |  |        |
|--------------------------------|--|--------|
| Other Instructional Activities |  | 41,639 |
|--------------------------------|--|--------|

|  |           |           |
|--|-----------|-----------|
| Pupil Support Activities                     | 5,190,975 |           |
| Less: Equipment for Pupil Support Activities | -         |           |
| Net Pupil Support Activities                 |           | 5,190,975 |

|  |           |           |
|--|-----------|-----------|
| Instructional Staff Services                     | 1,120,907 |           |
| Less: Equipment for Instructional Staff Services | -         |           |
| Net Instructional Staff Services                 |           | 1,120,907 |

|   |           |           |
|---|-----------|-----------|
| School Administration                     | 6,233,183 |           |
| Less: Equipment for School Administration | -         |           |
| Net School Administration                 |           | 6,233,183 |

|   |  |            |
|---|--|------------|
| Total General Fund Instructional Expenditures |  | 54,175,065 |
|---|--|------------|

|   |  |   |
|---|--|---|
| Total General Fund Equipment Expenditures |  | - |
|---|--|---|

|  |  |                      |
|--|--|----------------------|
| Total General Fund Instructional<br>and Equipment Expenditures |  | <u>\$ 54,175,065</u> |
|--|--|----------------------|

**Certain Local Revenue Sources**

Local Taxation Revenue:

|   |                      |
|---|----------------------|
| Constitutional Ad Valorem Taxes   | \$ 1,729,271         |
| Renewable Ad Valorem Tax  | 11,372,550           |
| Debt Service Ad Valorem Tax   | -                    |
| Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes | 576,030              |
| Sales and Use Taxes   | 26,107,218           |
| Total Local Taxation Revenue  | <u>\$ 39,785,069</u> |

Local Earnings on Investment in Real Property:

|   |             |
|---|-------------|
| Earnings from 16th Section Property                 | -           |
| Earnings from Other Real Property                   | -           |
| Total Local Earnings on Investment in Real Property | <u>\$ -</u> |

State Revenue in Lieu of Taxes:

|                                      |                  |
|--------------------------------------|------------------|
| Revenue Sharing - Constitutional Tax | \$ 19,587        |
| Revenue Sharing - Other Taxes        | 40,730           |
| Revenue Sharing - Excess Portion     | -                |
| Other Revenue in Lieu of Taxes       | -                |
| Total State Revenue in Lieu of Taxes | <u>\$ 60,317</u> |

|                            |  |                  |
|----------------------------|--|------------------|
| Nonpublic Textbook Revenue |  | <u>\$ 41,619</u> |
|----------------------------|--|------------------|

|                                  |  |             |
|----------------------------------|--|-------------|
| Nonpublic Transportation Revenue |  | <u>\$ -</u> |
|----------------------------------|--|-------------|



**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD**  
**Class Size Characteristics**  
**As of October 1, 2019**

| School Type                      | Class Size Range |        |         |        |         |        |         |        |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
|                                  | 1 - 20           |        | 21 - 26 |        | 27 - 33 |        | 34+     |        |
|                                  | Percent          | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary                       | 54.0%            | 944    | 39.9%   | 697    | 5.7%    | 100    | 0.3%    | 6      |
| Elementary Activity Classes      | 41.6%            | 170    | 47.7%   | 195    | 10.8%   | 44     | 0.0%    | -      |
| Middle/Jr. High                  | 0.0%             | -      | 0.0%    | -      | 0.0%    | -      | 0.0%    | -      |
| Middle/Jr. High Activity Classes | 0.0%             | -      | 0.0%    | -      | 0.0%    | -      | 0.0%    | -      |
| High                             | 67.8%            | 563    | 14.9%   | 124    | 15.2%   | 126    | 2.0%    | 17     |
| High Activity Classes            | 79.5%            | 101    | 9.4%    | 12     | 7.9%    | 10     | 3.1%    | 4      |
| Combination                      | 0.0%             | 2      | 0.0%    | -      | 0.0%    | -      | 0.0%    | -      |
| Combination Activity Classes     | 0.0%             | -      | 0.0%    | -      | 0.0%    | -      | 0.0%    | -      |

**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.



# St. John the Baptist Parish School Board

118 West 10<sup>th</sup> Street • P.O. Drawer AL • Reserve, Louisiana 70084  
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Nia Mitchell  
Board President

Dr. Lynett Hookfin  
Superintendent

Shawn Wallace  
Board Vice-President

November 19, 2021

Carr, Riggs & Ingram L.L.C.  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: St. John the Baptist Parish School Board's Corrective Action Plan for BESE Agreed-Upon Procedures

To whom it may concern:

The following represents the Corrective Action Plan for the exceptions included in the Independent Accountants' Report on Applying Agreed-Upon Procedures for the fiscal year ended June 30, 2020.

*Corrective Action Plan:* The School Board hired an Accounting Supervisor in June 2021, who is working diligently in conjunction with the external accounting firm to bring all accounting up-to-date. The Accounting Supervisor will ensure that all future PEP reports are submitted timely.

*Estimated Date of Completion:* November 2021

*Person Responsible:* District Superintendent

Sincerely,

Dr. Lynett Hookfin  
Superintendent

## MEMBERS OF THE ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Charo Holden, District 1  
Albert Burl, District 2

Gerald J. Keller, Ph.D., District 3  
Patrick H. Sanders, District 4

Sherry DeFrancesch, District 5  
Keith Jones, District 6

Phillip Johnson, District 7  
Debbie Schum, District 8

Shawn Wallace, District 9  
Nia Mitchell, District 10

Clarence Triche, District 11

**ST. JOHN THE BAPTIST PARISH  
SCHOOL BOARD  
Reserve, Louisiana**

**REPORTS AND INFORMATION REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS* AND  
THE UNIFORM GUIDANCE**

**For the Year Ended June 30, 2020**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRlcpa.com](http://CRlcpa.com) | [blog.cricpa.com](http://blog.cricpa.com)

**St. John the Baptist Parish School Board**  
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**June 30, 2020**

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**INDEPENDENT AUDITORS' 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish School Board (the "School Board"), as of and for the year ended June 30, 2020, 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 November 19, 2021.

**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 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 entity'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 did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item **2020-001**, that we consider to be a material weakness.

## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **St. John the Baptist Parish School Board's Response to Finding**

The School Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Cam, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
November 19, 2021

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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, 2020. The School Board's major federal programs are identified in the summary of auditors' 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.

### **Auditors' 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, 2020.

## **Report on Internal Control Over Compliance**

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

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

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

## **Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated November 19, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented



for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cam, Riggs & Ingram, L.L.C.*

Metairie, Louisiana

November 19, 2021

**St. John the Baptist Parish School Board**  
**Reserve, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2020**

| Federal Grantor/Pass-Through<br>or Grantor/Program or Cluster Title | Federal Pass-<br>Through Number | CFDA<br>Number | Passed-Through<br>to Subrecipients | Federal<br>Expenditures |
|---|---------------------------------|----------------|------------------------------------|-------------------------|
| <b>United States Department of Agriculture</b>                      |                                 |                |                                    |                         |
| Passed through Louisiana Department of Education:                   |                                 |                |                                    |                         |
| Child Nutrition Cluster:  |                                 |                |                                    |                         |
| National School Lunch Program                                       |                                 | 10.555         | -                                  | \$ 265,588              |
| National Breakfast Program  |                                 | 10.553         | -                                  | 225,234                 |
| National School Lunch Program (Sections II & IV)                    |                                 | 10.555         | -                                  | 2,848,373               |
| Total Child Nutrition Cluster                                       |                                 |                |                                    | 3,339,195               |
| Total United States Department of Agriculture                       |                                 |                |                                    | 3,339,195               |
| <b>United States Department of Health and Human Services</b>        |                                 |                |                                    |                         |
| Direct Program- Administration for Children, Youth and Families-    |                                 |                |                                    |                         |
| Head Start Cluster:   |                                 |                |                                    |                         |
| Head Start  |                                 | 93.600         | -                                  | 1,276,622               |
|   |                                 |                |                                    | 1,276,622               |
| Passed through the Louisiana Department of Health                   |                                 |                |                                    |                         |
| Medicaid Cluster:   |                                 |                |                                    |                         |
| Medical Assistance Program  | 1701301                         | 93.778         | -                                  | 524,889                 |
| Total Medicaid Cluster  |                                 |                |                                    | 524,889                 |
| Passed through the Louisiana Department of Education                |                                 |                |                                    |                         |
| Child Care and Development Block Grant                              | 28-20-22-48                     | 93.575         |                                    | 12,892                  |
|   |                                 |                |                                    | 12,892                  |
| Passed through Louisiana Department of Family Support:              |                                 |                |                                    |                         |
| Temporary Assistance for Needy Families                             | 28-20-36-48-344                 | 93.558         | -                                  | 50,000                  |
|   |                                 |                |                                    | 50,000                  |
| Total United States Department of Health and Human Services         |                                 |                |                                    | 1,864,403               |
| <b>United States Department of Education</b>                        |                                 |                |                                    |                         |
| Passed Through Louisiana Department of Education:                   |                                 |                |                                    |                         |
| Career and Technical Education - Basic Grants to States             | 28-20-02-48-344                 | 84.048         | -                                  | 57,959                  |
|   |                                 |                |                                    | 57,959                  |
| Special Education Cluster:  |                                 |                |                                    |                         |
| Special Education Grants to States                                  | 28-20-B1-48-344                 | 84.027         | -                                  | 1,332,254               |
| Special Education Preschool Grants                                  | 28-20-P1-48-344                 | 84.173         | -                                  | 83,207                  |
| Total Special Education Cluster                                     |                                 |                |                                    | 1,415,461               |
| Improving America's School Act                                      |                                 |                |                                    |                         |
| Title I Grants to Local Educational Agencies                        | 28-20-T1-48-344                 | 84.010         | -                                  | 2,288,624               |
|   |                                 |                |                                    | 2,288,624               |
| Supporting Effective Instruction State Grants                       | 28-20-50-48-344                 | 84.367         | -                                  | 296,991                 |
|   |                                 |                |                                    | 296,991                 |
| English Language Acquisition State Grants                           | 28-20-60-48-344                 | 84.365         | -                                  | 23,615                  |
|   |                                 |                |                                    | 23,615                  |
| Comprehensive Literacy Development                                  | 28-20-SRCL2-48-344              | 84.371         | -                                  | 823,093                 |
|   |                                 |                |                                    | 823,093                 |
| Student Support and Academic Enrichment Program                     | 28-20-71-48                     | 84.424         | -                                  | 70,032                  |
|   |                                 |                |                                    | 70,032                  |
| Education for Homeless Children and Youth                           | 28-20-H1-48                     | 84.196         | -                                  | 3,139                   |
|   |                                 |                |                                    | 3,139                   |

**St. John the Baptist Parish School Board**  
**Reserve, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2020**

| Federal Grantor/Pass-Through<br>or Grantor/Program or Cluster Title  | Federal Pass-<br>Through Number | CFDA<br>Number | Passed-Through<br>to Subrecipients | Federal<br>Expenditures |
|--|---------------------------------|----------------|------------------------------------|-------------------------|
| Passed- through National Institute of Excellence in Teaching:<br>Teacher and School Leader Incentive Funds | U374A160022                     | 84.374A        | -                                  | 2,028,736               |
|  |                                 |                |                                    | <u>2,028,736</u>        |
| Total United States Department of Education  |                                 |                |                                    | <u>7,007,650</u>        |
| <b>United States Department of Homeland Security</b>   |                                 |                |                                    |                         |
| Passed-through Louisiana Governor's Office of Homeland Security<br>and Emergency Preparedness:             |                                 |                |                                    |                         |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                                    |                                 | 97.036         | -                                  | 2,032,052               |
| Total United States Department of Homeland Security  |                                 |                |                                    | <u>2,032,052</u>        |
| Total Expenditures of Federal Awards   |                                 |                |                                    | <u>\$ 14,243,300</u>    |

**St. John the Baptist Parish School Board**  
**Reserve, Louisiana**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

**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, 2020. 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 School Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2020. The value of noncash assistance is the fair value of the noncash items used during the year. Any received but unused commodities are reflected as deferred revenue until used.

**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 6 - LOANS**

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

**NOTE 7 – FEDERALLY FUNDED INSURANCE**

The School Board has no federally funded insurance.

**NOTE 8 – NONCASH ASSISTANCE**

The School Board received \$265,588 of federal noncash assistance in the form of U.S. Department of Agriculture commodities for the National School Lunch Program passed through the Louisiana Department of Education for the fiscal year ended June 30, 2020.



**St. John the Baptist Parish School Board**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

1. Type of auditors' report issued 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? No

*Federal Awards*

1. Type of auditors' report issued on compliance for major programs Unmodified
2. Internal control over major programs:
  - a. Material weaknesses identified? No
  - b. Significant deficiencies identified not considered to be material weaknesses? None noted
3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

4. Identification of the major programs:

| Name of Federal Awards (or Cluster)  | CFDA No.       |
|--|----------------|
| Special Education Cluster (IDEA)   | 84.027, 84.173 |
| Disaster Grants – Public Assistance<br>(Presidentially Declared Disasters) | 97.036         |
| Comprehensive Literacy Development   | 84.371         |

5. Dollar threshold used to distinguish between type A and type B programs: \$750,000
6. Auditee qualified as a low-risk auditee? Yes

**St. John the Baptist Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

**B. FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENTS**

**2020-001 Material Weakness: Internal Control Over Financial Reporting**

|                        |   |
|------------------------|---|
| <i>Criteria:</i>       | The School Board should maintain proper staffing to ensure internal controls over financial reporting is maintained.  |
| <i>Condition:</i>      | The trial balance, as initially provided by the School Board, required several material adjustments to their financial records to prepare accurate and complete financial statements in accordance with U.S. generally accepted accounting principles. In addition, bank account and other account reconciliations for the year ended June 30, 2020 were not completed on a timely basis. |
| <i>Cause:</i>          | On January 1, 2020, the former Director of Finance for the School Board terminated his relationship with the School Board. The School Board did not have someone with the appropriate skills, knowledge and experience to continue the function of the former Director of Finance. Additionally, the replacement Director of Finance hired in March 2020 resigned in October 2020.        |
| <i>Effect:</i>         | The trial balance, as initially provided by the School Board, required several material adjustments to their financial records to ensure the financial statements were presented in accordance with U.S. generally accepted accounting principles.  |
| <i>Recommendation:</i> | 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.   |

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

There were no findings related to the major federal award program for the year ended June 30, 2020.

**D. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended June 30, 2020.

**St. John the Baptist Parish School Board  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020**

**E. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2019.

**F. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM**

There were no findings related to the major federal award program for the year ended June 30, 2019.



# St. John the Baptist Parish School Board

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Superintendent

Shawn Wallace  
Board Vice-President

November 19, 2021

Carr, Riggs & Ingram L.L.C.  
111 Veterans Blvd.  
Suite 350  
Metairie, LA 70005

RE: St. John the Baptist Parish School Board's Corrective Action Plan

To whom it may concern:

The following represents the Corrective Action Plan for the finding included in the Schedule of Findings and Questioned Costs for the fiscal year ended June 30, 2020.

## **2020-001 Material Weakness: Internal Control Over Financial Reporting**

*Corrective Action Plan:* The School Board engaged an external accounting firm in January 2021 to perform account reconciliations and assist with ongoing accounting functions. In addition, the School Board hired an Accounting Supervisor in June 2021, who is working diligently in conjunction with the external accounting firm to bring all accounting up-to-date. The School Board continues its search for a qualified Chief Financial Officer. In the event that a qualified CFO is not hired during the month of December 2021, a succession plan will be implemented to increase adequately trained employees to fill positions in the finance department in the event of retirements and or departures from the district. In addition to the succession design serving as backup trainings for employees to assist with critical accounting functions, it will also provide day-to-day district financial internal controls. The Board has been given several succession plan options to consider and select at the December 8, 2021 finance committee meeting in the event that a CFO is not hired. The Board has been advised that a succession plan has been recommended and a part of corrective action plans written in past financial audit reports.

*Estimated Date of Completion:* February 28, 2022

*Person Responsible:* District Superintendent

Sincerely,

  
Dr. Lynett Hookfin  
Superintendent

## **MEMBERS OF THE ST. JOHN THE BAPTIST PARISH SCHOOL BOARD**

Charo Holden, District 1  
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Gerald J. Keller, Ph.D., District 3  
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