

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

Annual Financial Report

June 30, 2022



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FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish School Board (the School Board), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Board and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the other postemployment benefits information on page 64, net pension liability information and schedule of contributions on pages 65 and 66, and budgetary comparison information on pages 68 - 69, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2023 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
April 14, 2023

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Net Position
June 30, 2022**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 54,095,583
Investments	585,092
Due from Other Governments	11,666,797
Due from Custodial Fund	1,980,490
Other Receivables	714,192
Inventory	270,003
Prepaid Expenses	1,815,016
Capital Assets not Being Depreciated	6,543,177
Capital Assets Being Depreciated, Net	<u>88,996,236</u>
Total Assets	<u>166,666,586</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	19,546,628
Deferred Outflows Related to Other Postemployment Benefits	28,197,287
Deferred Loss on Debt Refunding	<u>1,153,763</u>
Total Deferred Outflows of Resources	<u>48,897,678</u>
Liabilities	
Accounts, Salaries, and Other Payables	14,925,985
Interest Payable	758,430
Long-Term Liabilities	
Due Within One Year	6,541,890
Due in More than One Year	<u>192,235,354</u>
Total Liabilities	<u>214,461,659</u>
Deferred Inflows of Resources	
Advance Tax Payments	2,799,650
Deferred Inflows Related to Pensions	32,786,218
Deferred Inflows Related to Other Postemployment Benefits	<u>60,142,302</u>
Total Deferred Inflows of Resources	<u>95,728,170</u>
Net Position	
Net Investment in Capital Assets	3,045,181
Restricted for:	
Special Revenue	291,456
Debt Service	9,655,497
Construction	8,210,760
Unrestricted	<u>(115,828,459)</u>
Total Net Position	<u>\$ (94,625,565)</u>

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 49,707,092	\$ 531,628	\$ 14,387,170	\$ (34,788,294)
Support Services	53,412,282	-	3,181,566	(50,230,716)
Interest on Long-Term Debt	2,133,342	-	-	(2,133,342)
Total Governmental Activities	\$ 105,252,716	\$ 531,628	\$ 17,568,736	(87,152,352)
General Revenues:				
Taxes:				
				31,368,458
				31,164,951
Grants and Contributions Not Restricted to Specific Programs				
				24,228,720
				192,799
				6,013,712
				<u>92,968,640</u>
				Change in Net Position
				5,816,288
				<u>(100,441,853)</u>
				Net Position, Beginning
				<u>\$ (94,625,565)</u>
				Net Position, Ending

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

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Balance Sheet - Governmental Funds
June 30, 2022**

	General Fund	Other Federal Programs Fund	Sinking III Fund	Construction Projects II Fund	Non-Major Governmental Funds	Total
Assets						
Cash and Cash Equivalents	\$ 29,053,193	\$ 1,442,895	\$ 13,411,021	\$ 7,646,836	\$ 2,364,448	\$ 53,918,393
Investments	585,092	-	-	-	-	585,092
Interfund Receivables	14,443,346	773,618	916,672	258,341	-	16,391,977
Due from Other Governments	774,863	9,137,860	-	-	1,754,074	11,666,797
Other Receivables	97,190	-	312,341	304,661	-	714,192
Inventory	-	-	-	-	270,003	270,003
Prepaid Expenses	1,815,016	-	-	-	-	1,815,016
Total Assets	\$ 46,768,700	\$ 11,354,373	\$ 14,640,034	\$ 8,209,838	\$ 4,388,525	\$ 85,361,470
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts, Salaries, and Other Payables	\$ 13,699,746	\$ 715,397	\$ -	\$ -	\$ 510,842	\$ 14,925,985
Interfund Payables	1,516,126	10,105,636	-	-	2,789,725	14,411,487
Total Liabilities	15,215,872	10,821,033	-	-	3,300,567	29,337,472
Deferred Inflows of Resources						
Advance Tax Payments	2,799,650	-	-	-	-	2,799,650
Unavailable Revenue	-	533,340	1,050,704	-	108,234	1,692,278
Total Deferred Inflows of Resources	2,799,650	533,340	1,050,704	-	108,234	4,491,928
Fund Balances						
Nonspendable	1,815,016	-	-	-	270,003	2,085,019
Restricted	-	-	13,589,330	8,209,838	710,256	22,509,424
Assigned	2,858,742	-	-	-	-	2,858,742
Unassigned	24,079,420	-	-	-	(535)	24,078,885
Total Fund Balances	28,753,178	-	13,589,330	8,209,838	979,724	51,532,070
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,768,700	\$ 11,354,373	\$ 14,640,034	\$ 8,209,838	\$ 4,388,525	\$ 85,361,470

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022**

Total Fund Balances - Governmental Funds	\$	51,532,070
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Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of Capital Assets as of June 30, 2022	\$	183,912,126	
Less Accumulated Depreciation as of June 30, 2022 for:			
Buildings		(80,600,112)	
Movable Property		(7,772,601)	95,539,413

Net Position of the Internal Service Fund is reported as proprietary fund type in the fund financial statements but included as governmental activities in the government-wide financial statements.			177,190
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Deferred outflows/inflows related to pensions are not due and payable in the current period and, accordingly, are not reported in the fund financial statements:

Deferred Outflows Related to Pensions	\$	19,546,628	
Deferred Outflows Related to Other Postemployment Benefits		28,197,287	
Deferred Inflows Related to Pensions		(32,786,218)	
Deferred Inflows Related to Other Postemployment Benefits		(60,142,302)	
Deferred Loss on Debt Refunding		1,153,763	(44,030,842)

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

Balances at June 30, 2022			
Long-Term Liabilities			
Compensated Absences Payable	\$	(2,244,674)	
Claims Payable		(3,827,559)	
Premium on Bonds Payable		(567,706)	
Bonds Payable		(92,494,232)	
Net Pension Liability		(46,434,781)	
Net Other Postemployment Benefit Liability		(53,208,292)	(198,777,244)

Interest on long-term debt is not recognized in governmental funds until it is due and payable (usually semi-annually); however, in the statement of net position that amount of interest which is payable but not yet due is recognized as a current liability.			(758,430)
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Difference in revenue recognition on the modified accrual basis as reported in the fund statements versus revenue recognition on the full accrual basis.			1,692,278
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Total Net Position - Governmental Activities	\$	(94,625,565)
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The accompanying notes are an integral part of these financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2022**

	General Fund	Other Federal Programs Fund	Sinking III Fund	Construction Projects II Fund	Non-Major Governmental Funds	Total
Revenues						
Local Sources:						
Taxes:						
Ad Valorem	\$ 23,287,893	\$ -	\$ 8,447,566	\$ -	\$ -	\$ 31,735,459
Sales and Use	27,033,142	-	-	4,131,809	-	31,164,951
Interest Earnings	28,768	-	156,312	5,700	2,019	192,799
Student Activities	-	-	-	-	526,347	526,347
Charges for Services	-	-	-	-	5,281	5,281
Other	6,013,712	-	-	-	-	6,013,712
Total Local Sources	56,363,515	-	8,603,878	4,137,509	533,647	69,638,549
State Sources:						
Minimum Foundation Program	24,183,307	-	-	-	45,413	24,228,720
Other	848,419	-	-	-	-	848,419
Total State Sources	25,031,726	-	-	-	45,413	25,077,139
Federal Sources	-	10,785,936	-	-	5,603,352	16,389,288
Total Revenues	81,395,241	10,785,936	8,603,878	4,137,509	6,182,412	111,104,976
Expenditures						
Current:						
Instruction	37,464,835	9,405,799	-	-	2,563,733	49,434,367
Support Services	47,692,117	706,819	-	-	3,340,138	51,739,074
Capital Outlay	4,375,557	-	-	-	42,751	4,418,308
Debt Service:						
Principal Retirement	307,692	-	3,925,000	-	820,000	5,052,692
Interest and Bank Charges	43,974	-	1,508,827	-	183,784	1,736,585
Total Expenditures	89,884,175	10,112,618	5,433,827	-	6,950,406	112,381,026
Excess (Deficiency) of Revenues Over Expenditures	(8,488,934)	673,318	3,170,051	4,137,509	(767,994)	(1,276,050)
Other Financing Sources (Uses)						
Proceeds of Bond Issuance	30,000,000	-	-	-	-	30,000,000
Transfers In	716,765	-	-	-	2,262,866	2,979,631
Transfers Out	(289,339)	(673,318)	-	(1,973,527)	(43,447)	(2,979,631)
Total Other Financing Sources (Uses)	30,427,426	(673,318)	-	(1,973,527)	2,219,419	30,000,000
Net Change in Fund Balances	21,938,492	-	3,170,051	2,163,982	1,451,425	28,723,950
Fund Balances, Beginning	6,814,686	-	10,419,279	6,045,856	(471,701)	22,808,120
Fund Balances, Ending	\$ 28,753,178	\$ -	\$ 13,589,330	\$ 8,209,838	\$ 979,724	\$ 51,532,070

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2022**

Total Net Change in Fund Balances - Governmental Funds \$ 28,723,950

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

Capital outlays are reported in governmental funds as expenditures.

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

Capital Outlays	\$	4,418,308	
Impairment Expense		(8,955,533)	
Depreciation Expense		<u>(6,490,074)</u>	(11,027,299)

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

Repayment of Bond Principal		5,052,692	
Proceeds of Issuance of Bonds		(30,000,000)	
Loss on Refunding of Bonds		<u>(177,250)</u>	(25,124,558)

In the statement of activities, certain operating expenses - other post-employment benefits - are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 4,617,063

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. 400,306

Incurred but not reported claims for workers' compensation are recorded for the full accrual statements, but the amount recorded in the fund financial statements is the amount actually paid. 235,172

Difference in revenue recognition on the modified accrual basis as reported in the fund financial statements versus revenue recognition on the accrual basis. (367,001)

The recognition of pension expense in the statement of activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. 8,474,621

All revenues, expenses, and changes in net position of the Internal Service Fund are reported as proprietary fund type in the fund financial statements, but included as governmental activities in the government-wide financial statements. 103,541

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (219,507)

Change in Net Position of Governmental Activities \$ 5,816,288

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Net Position
Proprietary Fund
June 30, 2022

	<u>Internal Service Self-Insurance Fund</u>
Assets	
Current	
Cash and Cash Equivalents	\$ 177,190
Total Current Assets	<u>177,190</u>
Liabilities	
Current	
Claims and Judgements	<u>-</u>
Total Current Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Unrestricted	<u>177,190</u>
Total Net Position	<u>\$ 177,190</u>

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2022

	<u>Internal Service Self-Insurance Fund</u>
Operating Revenues	
Premiums	\$ 1,394,033
Total Operating Revenues	<u>1,394,033</u>
Operating Expenses	
Claims Expense	<u>1,290,492</u>
Total Operating Expenses	<u>1,290,492</u>
Change in Net Position	103,541
Net Position, Beginning	<u>73,649</u>
Net Position, Ending	<u><u>\$ 177,190</u></u>

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2022

	<u>Internal Service Self-Insurance Fund</u>
Cash Flows from Operating Activities	
Cash Received from Premiums	\$ 1,394,033
Cash Payments for Claims	<u>(1,290,492)</u>
Net Cash Provided by Operating Activities	<u>103,541</u>
Net Increase in Cash and Cash Equivalents	103,541
Cash and Cash Equivalents, Beginning of Year	<u>73,649</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 177,190</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	<u><u>\$ 103,541</u></u>

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Fiduciary Net Position
Custodial Fund
June 30, 2022

	Custodial Fund
<hr/>	
Assets	
Cash and Cash Equivalents	\$ 1,524,646
Taxes Receivable	<u>4,725,579</u>
Total Assets	<u><u>\$ 6,250,225</u></u>
Liabilities	
Due to Other Funds	\$ 1,980,490
Due to Others	<u>4,269,735</u>
Total Liabilities	<u><u>\$ 6,250,225</u></u>

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended June 30, 2022**

	Custodial Fund
<hr/>	
Additions	
Sales Tax Collected	\$ 67,517,844
	<hr/>
Total Additions	67,517,844
	<hr/>
Deductions	
Costs of Collection	1,649,818
Distributions to Taxing Bodies	65,868,026
	<hr/>
Total Deductions	67,517,844
	<hr/>
Net Increase in Net Position	-
Net Position, Beginning of Period	-
	<hr/>
Net Position, End of Period	\$ -
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The accompanying notes are an integral part of these financial statements.

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

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

The School Board operates 11 schools within the Parish with a total enrollment of 4,917 pupils for the year ended June 30, 2022. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Reporting Entity

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

Basis of Presentation - Fund Accounting

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

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

Governmental Funds

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

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

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

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation - Fund Accounting (Continued)

Capital Projects Funds

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

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

Debt Service Funds

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

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

Proprietary Fund Types

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

Custodial Funds

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

**Basis of Presentation - Fund Accounting (Continued)
*Custodial Funds (Continued)***

The School Board maintains one custodial fund:

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

**Measurement Focus and Basis of Accounting
*Government-Wide Financial Statements (GWFS)***

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

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

Program Revenues

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

Internal Activities

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

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

Governmental Funds

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (FFS) (Continued)

Governmental Funds (Continued)

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

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

Revenues

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis based on the assessed value on January 1st, become due on November 15th, and become delinquent on December 31st. An enforceable lien attaches to the property as of January 1st. The taxes were levied by the School Board on June 17, 2021. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in November, December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected and are unremitted by the St. John the Baptist Parish Tax Assessor's Office. Such amounts are measurable and available to finance current operations.

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (FFS) (Continued)

Governmental Funds (Continued)

Expenditures

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

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

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

The proprietary fund type is reported in the financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues are charges to other funds for premiums to fund the School Board's self-insurance programs. Principal operating expenses are the claims and administrative expenses.

Other Financing Sources (Uses)

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

Budget and Budgetary Accounting

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Budget and Budgetary Accounting (Continued)

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

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

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

The Superintendent and/or the Director of Finance are authorized to transfer amounts between line items within any fund. When actual total revenues within the General Fund or a Special Revenue Fund fail to meet budgeted total revenues by five percent (5%) or more and/or actual total expenditures within the General Fund or a Special Revenue Fund fail to meet budgeted total expenditures by five percent (5%) or more, a budget amendment to reflect such change is adopted by the School Board in an open meeting. The budgetary comparison schedules (see pages 68 - 69) include the effect of such budget amendments, none of a significant nature.

Cash and Cash Equivalents and Investments

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Investments (Continued)

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

Due from Other Governments

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

Interfund Transactions

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

Inventories

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

Prepaid Expenses

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

Capital Assets

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Deferred Outflows/Inflows of Resources

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

Vacation

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

Sick Leave

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

Sabbatical Leave

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

Long-Term Obligations

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Claims and Judgments

The School Board provides for losses and anticipated expenses resulting from claims and judgments, including claim adjustment expenditures/expenses, salvage, and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case-by-case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50. The liability for such losses is recorded in the government-wide financial statements. Incurred but not reported claims as of June 30, 2022 have been considered in determining the accrued liability.

Net Position Classifications

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

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Ad Valorem Taxes

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

Sales and Use Taxes

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

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

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

Pensions

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS) and additions to/deductions from TRSL's and LSERS' fiduciary net positions have been determined on the same basis as they are reported by TRSL and LSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

**Stewardship, Compliance, and Accountability
*Deposit and Investment Laws and Regulations***

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At June 30, 2022, the School Board was in compliance with the deposit and investment laws and regulations.

Budgeted Revenues over Actual

For the year ended June 30, 2022, the Other Federal Programs Special Revenue Fund had revenues of \$10,785,936 which fell short of budgeted revenues of \$11,753,829 which resulted in an unfavorable variance of \$967,893, or 8%.

Recent Accounting Pronouncements - Adopted

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of the standard did not have an effect on the financial statements of the School Board.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The Statement amends Questions 4.3 and 4.5 of Implementation Guide 201-2. The adoption of the standard did not have an effect on the financial statements of the School Board.

Recent Accounting Pronouncements - Not Yet Adopted

As of June 30, 2022, the Governmental Accounting Standards Board has issued several statements not yet implemented by the School Board. The statements which might impact the School Board, are as follows:

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

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements - Not Yet Adopted (Continued)

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

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

Note 2. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents

At June 30, 2022, the School Board had cash and cash equivalents totaling \$55,620,229 reported on the statement of net position as follows:

Fund Type	Amount
Governmental Funds	\$ 54,095,583
Custodial Fund	<u>1,524,646</u>
Total	<u>\$ 55,620,229</u>

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

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

Notes to the Basic Financial Statements

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

Cash and Cash Equivalents (Continued)

At June 30, 2022, bank balances were secured and collateralized as follows:

	Amount
FDIC Insured	\$ 500,000
Collateral Held by Pledging Bank in School Board's Name with Letters of Credit Issued by the Federal Home Loan Bank	<u>46,168,814</u>
Total Bank Balance	<u>\$ 46,668,814</u>

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

Investments

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

Investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Note 1. Summary of Significant Accounting Policies) consisted of \$585,092 at June 30, 2022. The fair value of the School Board's position is the same as the fair value of its share of the pooled assets.

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

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the School Board's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent, but not held in the School Board's name. The investments of the School Board owned at June 30, 2022 were not subject to custodial credit risk.

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

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

Notes to the Basic Financial Statements

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

Investments (Continued)

The School Board's investments in LAMP are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book-entry form. LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities and any other investments allowed by state statute. The Standard & Poor's fund rating for LAMP is AAA+ indicating a superior capacity to maintain principal value and limit exposure to losses. LAMP issues a publicly-available financial report that can be obtained at www.lamppool.com.

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

As of June 30, 2022, the School Board had the following investments:

Investment	Maturity	Fair Value
LAMP	90-Day Average	\$ 585,092
Total		<u>\$ 585,092</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.

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

Notes to the Basic Financial Statements

Note 3. Ad Valorem Taxes

Advance Tax Payments

The School Board and other taxing districts in St. John the Baptist Parish entered into an agreement with Marathon Petroleum Company LP (Marathon) whereas in exchange for advance payments made on December 19, 2019 and January 13, 2020 totaling \$20,000,000 in ad valorem taxes, Marathon receives credit against future ad valorem tax liabilities as set forth in R.S. 47:2138(B). The School Board's portion of the advance tax payments totaled \$6,417,257 which is recorded as advance tax payments on the governmental funds balance sheet and will be recognized as revenue as the credits are utilized. For the year ended June 30, 2022, \$1,283,451 was recognized as revenue.

Ad Valorem Taxes

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

The following is a summary of authorized and levied ad valorem taxes for the fiscal year ended June 30, 2022 (calendar year 2021 assessments):

Ad Valorem Taxes Levied	Millage Authorized	Millage Levied	Expiration Date
Parish-Wide Taxes			
Constitutional	3.71	3.71	None
Maintenance and Operations	4.33	4.33	2023
Health	10.56	10.56	2025
Salaries and Benefits	8.19	8.19	2023
Improvement	3.47	3.47	2024
Bonded Debt	10.81	10.81	2023

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

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

Notes to the Basic Financial Statements

Note 4. Due from Other Governments

At June 30, 2022, due from other governments consisted of:

Class of Receivables	General	Other Federal Programs	Non-Major Governmental	Total
State	\$ 81,701	\$ -	\$ -	\$ 81,701
Federal	693,162	9,137,860	1,754,074	11,585,096
Total	\$ 774,863	\$ 9,137,860	\$ 1,754,074	\$ 11,666,797

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

Note 5. Capital Assets

A summary of changes in capital assets for the 2022 fiscal year is as follows:

Governmental Activities	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ 3,117,838	\$ -	\$ 3,117,838
Land	3,425,339	-	-	3,425,339
Total Capital Assets, Not Being Depreciated	3,425,339	3,117,838.00	-	6,543,177
Capital Assets, Being Depreciated				
Buildings and Improvements	180,860,938	1,257,719	13,450,415	168,668,242
Furniture and Equipment	8,657,956	42,751	-	8,700,707
Total Capital Assets, Being Depreciated	189,518,894	1,300,470	13,450,415	177,368,949
Less Accumulated Depreciation for:				
Buildings and Improvements	79,254,728	5,840,266	4,494,882	80,600,112
Furniture and Equipment	7,122,793	649,808	-	7,772,601
Total Accumulated Depreciation	86,377,521	6,490,074	4,494,882	88,372,713
Capital Assets Being Depreciated, Net	103,141,373	(5,189,604)	8,955,533	88,996,236
Capital Assets, Net	\$106,566,712	\$ (2,071,766)	\$ 8,955,533	\$ 95,539,413

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

Notes to the Basic Financial Statements

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School Board for the year ended June 30, 2022 as follows:

Function/Program	Amount
Instruction	\$ 3,894,044
Support Services	<u>2,596,030</u>
Total Depreciation Expense	<u>\$ 6,490,074</u>

Impairment expense related to Hurricane Ida was charged to functions/programs of the School Board for the year ended June 30, 2022 as follows:

Function/Program	Amount
Instruction	\$ 5,373,320
Support Services	<u>3,582,213</u>
Total Impairment Expense	<u>\$ 8,955,533</u>

Note 6. Accounts, Salaries, and Other Payables

The following is a summary of accounts, salaries, and other payables as of June 30, 2022:

Class of Payables	General	Other Federal Programs	Non-Major Governmental	Total
Accounts Payable	\$ 5,884,977	\$ 146,311	\$ 108,859	\$ 6,140,147
Accrued Salaries and Benefits	<u>7,814,769</u>	<u>569,086</u>	<u>401,983</u>	<u>8,785,838</u>
Total	<u>\$ 13,699,746</u>	<u>\$ 715,397</u>	<u>\$ 510,842</u>	<u>\$ 14,925,985</u>

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

Notes to the Basic Financial Statements

Note 7. Interfund Receivables and Payables

Interfund Receivables/Payables

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

Individual fund interfund receivables and payables balances at June 30, 2022 reported on the fund financial statements were as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 14,443,346	\$ 1,516,126
Other Federal Programs Fund	773,618	10,105,636
Sinking Fund III	916,672	-
Construction Projects II Fund	258,341	-
Non-Major Governmental Funds	-	2,789,725
Custodial Fund		
Sales Tax	-	-
Total	\$ 16,391,977	\$ 14,411,487

Interfund Transfers

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. Interfund transfers at June 30, 2022 were as follows:

	Transfers In	Transfers Out
Governmental Activities		
General Fund	\$ 716,765	\$ 289,339
Other Federal Programs Fund	-	673,318
Construction Projects II Fund	-	1,973,527
Non-Major Governmental Funds	2,262,866	43,447
Total	\$ 2,979,631	\$ 2,979,631

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

Notes to the Basic Financial Statements

Note 8. Long-Term Obligations

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

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

The following is a summary of the long-term liability transactions for the year ended June 30, 2022:

Governmental Activities	June 30, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
Bonds Payable					
General Obligation Bonds -					
Direct Placements	\$ 28,931,924	\$ -	\$ (2,372,692)	\$ 26,559,232	\$ 2,097,692
General Obligation Bonds -					
Other	28,555,000	-	(1,860,000)	26,695,000	1,860,000
Sales Tax Bonds	10,060,000	-	(820,000)	9,240,000	820,000
Hurricane Recovery Revenue					
Bonds	-	30,000,000	-	30,000,000	-
Bond Premium	637,109	-	(69,403)	567,706	-
Other Liabilities					
Claims Payable	4,062,731	1,626,688	(1,861,860)	3,827,559	1,613,316
Compensated Absences	2,644,980	2,682,537	(3,082,843)	2,244,674	150,882
Net Pension Liability	96,749,114	-	(50,314,333)	46,434,781	-
OPEB Liability	64,357,368	-	(11,149,076)	53,208,292	-
Governmental Activities					
Long-Term Liabilities	\$ 235,998,226	\$ 34,309,225	\$ (71,530,207)	\$ 198,777,244	\$ 6,541,890

The reductions - payments and retirements - are reflected in the statement of revenues, expenditures, and changes in fund balances - governmental funds. The bond and note reductions totaling \$5,052,692 of principal payments are included under the caption "Principal Retirement." The reduction in compensated absences is included in payroll which is allocated among all of the functions.

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

Notes to the Basic Financial Statements

Note 8. Long-Term Obligations (Continued)

The current portion of the compensated absences is based on expected retirements in 2023. Compensated absences and other postemployment benefits are liquidated by the General Fund and Special Revenue Funds.

The following schedule shows the changes in general obligation bonds, sales tax bonds, and certificates of indebtedness, the outstanding balance of the bonds and certificates of indebtedness at June 30, 2022, and the total future interest due on the bonds:

Bond	Bond Issue Date	Original Issue	Interest Rates	Final Payment Due	Principal Outstanding	Interest to Maturity
<u>General Obligation Bonds - Direct Placements</u>						
Series 2016	05/18/16	\$ 6,845,000	2.08%	03/01/29	\$ 4,840,000	416,746
Series 2017	05/25/17	11,515,000	2.40%	03/01/29	8,950,000	884,640
QSCB 2011	01/26/11	10,000,000	1.10%	01/26/26	10,000,000	250,000
QZAB 2017	10/01/17	4,000,000	0.00%	09/16/30	2,769,232	-
<u>General Obligation Bonds - Other</u>						
Series 2011	11/01/11	8,000,000	2.00% - 3.38%	03/01/31	4,685,000	788,419
Series 2013	01/09/13	11,600,000	2.00% - 5.00%	03/01/32	7,315,000	1,211,175
Series 2014	06/01/14	10,180,000	2.00% - 4.00%	03/01/34	7,050,000	1,662,106
Series 2015	06/11/15	10,380,000	3.00% - 4.00%	03/01/35	7,645,000	2,066,244
Total General Obligation Bonds					53,254,232	7,285,963
<u>Sales Tax Bonds</u>						
Series 2006	09/01/06	18,100,000	4.10% - 7.00%	04/01/31	535,000	127,637
Series 2015	05/14/15	12,905,000	2.00% - 5.00%	04/01/31	8,705,000	1,632,488
Total Sales Tax Bonds					9,240,000	1,760,125
<u>Hurricane Recovery Revenue Bonds</u>						
Series 2022	1/1/2022	30,000,000	1.75%	01/01/27	30,000,000	2,619,167
Total Bonds					\$ 92,494,232	\$ 11,665,255

Bond principal and interest payable in the next fiscal year total \$6,961,128. Interest paid and bank charges in the current fiscal year on general obligation bonds and sales tax bonds amounted to \$1,736,585.

At June 30, 2022, the School Board accumulated \$13,796,998 in the Debt Service Funds for the future retirement of General Obligation and Sales Tax Bonds.

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2022, the statutory limit is \$294,879,067, resulting in a legal debt margin of \$227,392,143.

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

Notes to the Basic Financial Statements

Note 8. Long-Term Obligations (Continued)

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

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

Year Ending June 30,	Principal Payments	Interest Payments	Total
<u>General Obligation Bonds - Direct Placements</u>			
2023	\$ 2,092,692	\$ 365,956	\$ 2,458,648
2024	2,152,692	325,069	2,477,761
2025	2,207,692	282,804	2,490,496
2026	12,277,692	239,281	12,516,973
2027	2,342,692	144,140	2,486,832
2028 - 2032	5,485,772	200,769	5,686,541
Subtotal	26,559,232	1,558,019	28,117,251
<u>General Obligation Bonds - Other</u>			
2023	\$ 1,940,000	\$ 852,588	\$ 2,792,588
2024	2,030,000	793,538	2,823,538
2025	2,120,000	732,856	2,852,856
2026	2,215,000	732,856	2,947,856
2027	2,310,000	602,263	2,912,263
2028 - 2032	11,635,000	1,667,129	13,302,129
2033 - 2035	4,445,000	346,714	4,791,714
Subtotal	26,695,000	5,727,944	32,422,944
<u>Sales Tax Bonds</u>			
2023	\$ 860,000	\$ 330,725	\$ 1,190,725
2024	910,000	292,088	1,202,088
2025	945,000	262,088	1,207,088
2026	985,000	231,913	1,216,913
2027	1,020,000	199,538	1,219,538
2028-2032	4,520,000	443,773	4,963,773
Subtotal	9,240,000	1,760,125	11,000,125
<u>Hurricane Recovery Revenue Bonds</u>			
2023	\$ -	\$ 519,167	\$ 519,167
2024	-	525,000	525,000
2025	-	525,000	525,000
2026	-	525,000	525,000
2027	30,000,000	525,000	30,525,000
Subtotal	30,000,000	2,619,167	32,619,167
Total	\$ 92,494,232	\$ 11,665,255	\$ 104,159,487

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

Notes to the Basic Financial Statements

Note 9. Fund Balance

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

	General Fund	Other Federal Programs Fund	Sinking III Fund	Construction Projects II	Non-Major Governmental Funds	Total
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 270,003	\$ 270,003
Prepays	1,815,016	-	-	-	-	1,815,016
Restricted:						
Special Revenue	-	-	-	-	709,334	709,334
Capital Projects	-	-	-	8,209,838	922	8,210,760
Debt Service	-	-	13,589,330	-	-	13,589,330
Assigned:						
Retiree Obligations	583,742	-	-	-	-	583,742
Workers' Compensation	275,000	-	-	-	-	275,000
Emergency Reserve	2,000,000	-	-	-	-	2,000,000
Unassigned	24,079,420	-	-	-	(535)	24,078,885
Total	\$ 28,753,178	\$ -	\$ 13,589,330	\$ 8,209,838	\$ 979,724	\$ 51,532,070

Note 10. Risk Management

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

Workers' Compensation Insurance

The School Board has a self-insurance program for workers' compensation whereby the School Board is exposed to losses relating to any potential claim for up to \$300,000 per occurrence and \$1,000,000 in the aggregate. The statement of net position reports the claims expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The claims liability at June 30, 2022 totaled \$3,171,967.

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

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

Notes to the Basic Financial Statements

Note 10. Risk Management (Continued)

General Liability and Automobile Insurance

As of June 30, 2022, 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, 2022 totaled \$655,592. The changes in claims liability amounts were as follows for the fiscal years ended June 30, 2020, 2021, and 2022:

	Liability June 30, 2021	Claims and Changes in Estimates	Payments	Liability June 30, 2022
Workers' Compensation				
2019 - 2020	\$ 1,376,698	\$ 2,612,387	\$ (1,012,312)	\$ 2,976,773
2020 - 2021	2,976,773	1,229,512	(1,212,570)	2,993,715
2021 - 2022	2,993,715	859,683	(681,431)	3,171,967
Property Damage and Automotive Liability				
2019 - 2020	\$ 1,105,447	\$ (352,152)	\$ (187,920)	\$ 565,375
2020 - 2021	565,375	995,534	(491,893)	1,069,016
2021 - 2022	1,069,016	767,005	(1,180,429)	655,592
Total				
2019 - 2020	\$ 2,482,145	\$ 2,260,235	\$ (1,200,232)	\$ 3,542,148
2020 - 2021	3,542,148	2,225,046	(1,704,463)	4,062,731
2021 - 2022	4,062,731	1,626,688	(1,861,860)	3,827,559

Changes in estimates are included in general administration expenditures. There were no significant reductions in insurance coverage during the 2021 - 2022 fiscal year.

Note 11. Defined Benefit Pension Plans

General Information about the Pension Plans

Plan Descriptions

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

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided

TRSL

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

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit, and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service, and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

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

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

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

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the member's maximum monthly benefit amount.

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

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided(Continued)

TRSL (Continued)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based on the account balance.

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have 5 or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

A surviving spouse with minor children of an active member with 5 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education.

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

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

TRSL (Continued)

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts - fixed, variable, or both - for benefits payable at retirement.

LSERS

LSERS provides retirement, deferred retirement option, disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the State, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010. All temporary, seasonal, and part-time employees as defined in federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

LSERS (Continued)

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by R.S. 11:1141-11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 $\frac{1}{3}$ % of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service, limited to 100% of final average compensation, plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 $\frac{1}{3}$ % of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the system on or after July 1, 2010, 2 $\frac{1}{2}$ % of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

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

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates.

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

LSERS (Continued)

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

Effective January 1, 1996, the State Legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit, or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from the IBRP account are made in accordance with R.S. 11:1152(F)(3).

Contributions

TRSL

The employer contribution rate is established annually under R.S. 11:101-11:104 by the Public Retirement Systems Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2022 are as follows:

2022 TRSL Sub Plan	Contributions	
	Employee	Employer
K - 12 Regular Plan	8.0%	25.8%
Plan A	9.1%	25.8%
Plan B	5.0%	25.8%

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions (Continued)

TRSL (Continued)

The School Board's contractually required composite contribution rate for the year ended June 30, 2022 was 25.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability.

Contributions to TRSL from the School Board were \$8,606,626 for the year ended June 30, 2022.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the State Constitution. The actuarial required contribution rate for June 30, 2020 was 26.7%. The actual employer rate for the year ended June 30, 2022 was 28.7%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to LSERS from the School Board were \$1,194,574 for the year ended June 30, 2022.

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, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL was based on a projection of the School Board's long-term share of contributions to TRSL relative to the projected contributions of all participating employers, actuarially determined. The School Board's proportion of the net pension liability for LSERS was based on the School Board's historical contributions.

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

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

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2021, and the change compared to the June 30, 2020 proportion:

	Net Pension Liability at June 30, 2021	Rate at June 30, 2021	Decrease on June 30, 2020 Rate
TRSL	\$ 40,955,798	0.7671%	-0.0128%
LSERS	<u>5,478,983</u>	1.1527%	-0.0904%
	<u><u>\$ 46,434,781</u></u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2022.

	Pension Expense (Benefit)	Amortization	Total
TRSL	\$ (172,484)	\$ 1,451,131	\$ 1,278,647
LSERS	<u>343,650</u>	<u>(171,941)</u>	<u>171,709</u>
	<u><u>\$ 171,166</u></u>	<u><u>\$ 1,279,190</u></u>	<u><u>\$ 1,450,356</u></u>

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

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between Expected and Actual Experience	\$ 118,510	\$ 209,179	\$ 327,689	\$ 79,612	\$ 619,276	\$ 698,888
Changes of Assumptions	180,533	3,986,737	4,167,270	2,084,525	-	2,084,525.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	-	27,646,348	27,646,348
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	152,060	5,098,409	5,250,469	419,743	1,936,714	2,356,457
Employer Contributions Subsequent to the Measurement Date	<u>1,194,574</u>	<u>8,606,626</u>	<u>9,801,200</u>	-	-	-
Total	<u><u>\$ 1,645,677</u></u>	<u><u>\$ 17,900,951</u></u>	<u><u>\$ 19,546,628</u></u>	<u><u>\$ 2,583,880</u></u>	<u><u>\$ 30,202,338</u></u>	<u><u>\$ 32,786,218</u></u>

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

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

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2023. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
TRSL	\$ 8,606,626
LSERS	<u>1,194,574</u>
Total	<u>\$ 9,801,200</u>

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

Year Ending June 30,	Amortization Amounts		
	TRSL	LSERS	Total
2023	\$ (6,531,726)	\$ (348,712)	\$ (6,880,438)
2024	(6,375,232)	(456,977)	(6,832,209)
2025	(7,208,138)	(502,316)	(7,710,454)
2026	<u>(792,917)</u>	<u>(824,772)</u>	<u>(1,617,689)</u>
Total	<u>\$ (20,908,013)</u>	<u>\$ (2,132,777)</u>	<u>\$ (23,040,790)</u>

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

	TRSL	LSERS
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	N/A	Closed
Actuarial Assumptions:		
Expected Remaining Service Lives	5 Years	3 Years
Investment Rate of Return	7.40%, net of investment expense	6.90%, net of investment expense, including inflation
Inflation Rate	2.30% per annum	2.50% per annum
Projected Salary Increases	3.1% - 4.6% (varies depending on duration of service)	2013 - 2017 experience study, 3.25%
Cost-of-Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	<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 Table, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Mortality Table,</p>
Termination, Disability, Retirement	Projected based on a five-year (2012 - 2017) experience study	Projected based on a five-year (2012 - 2017) experience study

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions (Continued)

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

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

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions (Continued)

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2021:

Asset Class	Target Asset Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic Equity	27.00%	39.00%	4.21%	2.84%
International Equity	19.00%	0.00%	5.23%	0.00%
Domestic Fixed Income	13.00%	26.00%	0.44%	0.76%
International Fixed Income	5.50%	0.00%	0.56%	0.00%
Alternative Investments	0.00%	23.00%	0.00%	1.87%
Private Equity	25.50%	0.00%	8.48%	0.00%
Other Private Assets	10.00%	0.00%	4.27%	0.00%
Real Assets	0.00%	12.00%	0.00%	0.60%
Total	100.00%	100.00%	N/A	6.07%
International Fixed Income				<u>2.10%</u>
Expected Arithmetic Nominal Return				<u>8.17%</u>

N/A - Amount not Provided by Retirement System

Discount Rate

The discount rates used to measure the total pension liability for TRSL and LSERS were 7.40% and 6.90%, respectively, for the year ended June 30, 2021. The discount rates decreased 0.05% for TRSL and 0.10% for LSERS the discount rates used for the year ended June 30, 2020.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
School Board's Proportionate Share of the LSERS Net Pension Liability	\$ 8,437,921	\$ 5,478,983	\$ 2,949,729
School Board's Proportionate Share of the TRSL Net Pension Liability	67,777,692	40,955,758	18,395,763

Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$331,929 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, 2022.

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.la.gov.

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

Notes to the Basic Financial Statements

Note 11. Defined Benefit Pension Plans (Continued)

Payables to the Pension Plan

As of June 30, 2022, the School Board had payables due to the pension plans totaling \$923,423. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

	Payables
TRSL	\$ 821,813
LSERS	<u>101,610</u>
Total	<u>\$ 923,423</u>

Note 12. Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (DROP entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or age 60 and 5 years of service. Employees hired on and after January 1, 2011 may not retire prior to age 60 without actuarial reduction in benefits.

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

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

Notes to the Basic Financial Statements

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

Employees Covered by Benefit Terms

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

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

Total OPEB Liability

The School Board's total OPEB liability of \$53,208,292 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary Increases	3.0%, including inflation
Discount Rate	3.54% annually, (as of end of year measurement date)
Healthcare Cost Trend Rates	5.5%% annually for 10 years; 4.5% thereafter
Mortality	SOA RP-2014 table without projection

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2010 to June 30, 2021.

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

Notes to the Basic Financial Statements

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

Changes in the Total OPEB Liability

Changes in the total OPEB liability for the year ended June 30, 2022 were as follows:

Balances at July 1, 2021	\$ 64,357,368
Changes for the Year	
Service Cost	1,615,328
Interest Cost	1,407,565
Increase due to Differences between Expected and Actual Experience	758,229
Changes of Assumptions	(11,979,354)
Benefit Payments and Net Transfers	<u>(2,950,844)</u>
Net Changes for the Year	<u>(11,149,076)</u>
Balance as of June 30, 2022	<u>\$ 53,208,292</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	1.0% Decrease (2.54%)	Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB Liability	<u>\$ 61,540,907</u>	<u>\$ 53,208,292</u>	<u>\$ 46,500,286</u>

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	<u>\$ 46,038,472</u>	<u>\$ 53,208,292</u>	<u>\$ 62,128,075</u>

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

Notes to the Basic Financial Statements

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

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

For the year ended June 30, 2022, the School Board recognized OPEB benefit of \$1,666,220. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 1,895,384	\$ 48,184,898
Change in Assumptions	26,301,903	11,957,404
Total	\$ 28,197,287	\$ 60,142,302

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

Year Ending June 30,	Amount
2023	\$ (4,689,112)
2024	\$ (4,689,112)
2025	\$ (7,482,759)
2026	\$ (7,482,759)
2027	\$ (7,482,759)
Thereafter	\$ (118,514)

Note 13. Commitments and Contingencies

At June 30, 2022, the School Board was a defendant in various lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at the estimate, if any, of the amount or range of potential claims and lawsuits that have been categorized into "probable," "reasonably possible", or "remote," as defined by the GASB Codification C50.

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

Notes to the Basic Financial Statements

Note 13. Commitments and Contingencies (Continued)

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

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

Note 14. Sales Tax Collections

The School Board collects five and a quarter percent (5.25%) in sales and use tax. The sales and use tax is collected by an independent contractor, who is contracted through the School Board and serves as its sales tax collector. The School Board's costs of collecting the funds are shared proportionally by the Parish Council, the Sheriff's Department, and the School Board. The sales and use tax distributed, on a cash basis, for the year ended June 30, 2022 was as follows:

	Tax Rate	Total Collections	Collection Fees	Final Distribution
School Board	2.50%	\$ 32,494,388	\$ 787,871	\$ 31,706,517
Parish Council	2.25%	28,509,478	701,679	27,807,799
Sheriff's Department	0.50%	6,513,978	160,268	6,353,710
Total	5.25%	\$ 67,517,844	\$ 1,649,818	\$ 65,868,026

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

Notes to the Basic Financial Statements

Note 15. Tax Abatements

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

As of June 30, 2022, four industrial companies located in St. John the Baptist Parish are currently under the Industrial Tax Exemption Program. The typical term of these agreements is for 10 years, and provided ad valorem tax abatement during the year ended December 31, 2021 in the amount of \$4,300,807.

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

Note 16. Subsequent Event

Subsequent to year end, the School Board approved a resolution authorizing the incurring of debt and issuance of \$58,000,000 of General Obligation School Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Changes in the School Board's
Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 1,615,328	\$ 2,429,655	\$ 1,713,191	\$ 1,734,506	\$ 1,674,311
Interest	1,407,565	2,200,915	2,841,125	3,189,888	2,936,205
Differences between Expected and Actual Experience	758,229	(59,473,678)	(3,300,358)	(7,890,401)	2,316,466
Changes of Assumptions	(11,979,354)	23,623,402	17,268,590	4,537,095	(3,620,116)
Benefit Payments	(2,950,844)	(2,797,009)	(2,646,910)	(2,997,387)	(2,798,050)
Net Change in OPEB Liability	(11,149,076)	(34,016,715)	15,875,638	(1,426,299)	508,816
Total OPEB Liability, Beginning	64,357,368	98,374,083	82,498,445	83,924,744	83,415,928
Total OPEB Liability, Ending	\$ 53,208,292	\$ 64,357,368	\$ 98,374,083	\$ 82,498,445	\$ 83,924,744
Covered-Employee Payroll	\$ 31,343,919	\$ 30,333,902	\$ 33,117,946	\$ 31,844,179	\$ 32,547,947
Net OPEB Liability as a Percentage of Covered-Employee Payroll	170.30%	212.16%	297.04%	259.07%	257.85%

Notes to Schedule:

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of School Board's Proportionate Share
of the Net Pension Liability
For the Year Ended June 30, 2022**

For the Year Ended June 30,	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teacher's Retirement System of Louisiana					
2022	0.767140%	\$ 40,955,798	\$ 39,124,054	105%	83.90%
2021	0.779970%	86,760,956	38,546,217	225%	65.60%
2020	0.747787%	74,215,242	37,834,666	196%	68.60%
2019	0.754061%	74,109,265	36,080,046	205%	68.20%
2018	0.714060%	73,204,349	33,652,839	218%	65.60%
2017	0.716570%	84,103,727	33,637,627	250%	59.90%
2016	0.738248%	79,378,471	34,972,099	227%	62.50%
2015	0.756970%	77,373,190	34,577,664	224%	63.70%
Louisiana School Employees' Retirement System					
2022	1.152701%	\$ 5,478,983	\$ 3,544,329	155%	82.50%
2021	1.243148%	9,988,158	3,544,329	282%	69.67%
2020	1.175090%	8,226,356	3,654,394	225%	73.50%
2019	1.228161%	8,205,802	3,453,933	238%	74.40%
2018	1.215070%	7,775,561	3,473,701	224%	75.00%
2017	1.175494%	8,867,307	3,341,768	265%	70.09%
2016	1.178312%	7,471,995	3,327,727	225%	74.49%
2015	1.161828%	6,734,956	3,209,158	210%	76.18%

Notes to Schedule:

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

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of School Board's Contributions
for Pension Plans
For the Year Ended June 30, 2022**

For the Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
Teacher's Retirement System of Louisiana					
2022	\$ 8,606,626	\$ 8,606,626	\$ -	\$ 34,153,279	25.2%
2021	10,093,748	10,093,748	-	39,124,054	25.8%
2020	10,021,984	10,021,984	-	38,546,217	26.0%
2019	10,099,075	10,099,075	-	37,834,666	26.7%
2018	9,597,292	9,597,292	-	36,080,046	26.6%
2017	8,614,228	8,614,228	-	33,652,839	25.6%
2016	8,875,031	8,875,031	-	33,637,627	26.4%
2015	9,815,139	9,815,139	-	34,972,099	28.1%
2014	9,405,124	9,405,124	-	34,577,664	27.2%
Louisiana School Employees' Retirement System					
2022	\$ 1,194,574	\$ 1,194,574	\$ -	\$ 3,820,951	31.3%
2021	1,011,830	1,011,830	-	3,544,529	28.5%
2020	1,074,392	1,074,392	-	3,654,394	29.4%
2019	967,712	967,712	-	3,453,933	28.0%
2018	967,999	967,999	-	3,507,243	27.6%
2017	949,605	949,605	-	3,473,701	27.3%
2016	1,009,214	1,009,214	-	3,341,768	30.2%
2015	1,084,845	1,084,845	-	3,287,409	33.0%
2014	1,036,558	1,036,558	-	3,209,158	32.3%

Notes to Schedule:

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Budgetary Comparison Schedules
Major Fund Descriptions
General Fund and Major Special Revenue Funds
with Legally Adopted Annual Budgets
For the Year Ended June 30, 2022**

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local Sources	\$ 45,010,777	\$ 54,473,729	\$ 56,363,515	\$ 1,889,786
State Sources	28,483,444	24,591,326	25,031,726	440,400
Total Revenues	73,494,221	79,065,055	81,395,241	2,330,186
Expenditures				
Current:				
Instruction	37,753,072	34,576,054	37,464,835	(2,888,781)
Support Services	28,835,201	28,071,501	47,692,117	(19,620,616)
Capital Outlay	-	38,000,000	4,375,557	33,624,443
Debt Service:				
Principal Retirement	-	-	307,692	(307,692)
Interest and Bank Charges	-	-	43,974	(43,974)
Total Expenditures	66,588,273	100,647,555	89,884,175	10,763,380
Excess (Deficiency) of Revenues Over Expenditures	6,905,948	(21,582,500)	(8,488,934)	13,093,566
Other Financing Sources (Uses)				
Proceeds of Bond Issuance	-	30,000,000	30,000,000	-
Transfers In	-	-	716,765	716,765
Transfers Out	(311,856)	(16,174)	(289,339)	(273,165)
Total Other Financing Sources (Uses)	(311,856)	29,983,826	30,427,426	443,600
Net Change in Fund Balance	6,594,092	8,401,326	21,938,492	13,537,166
Fund Balance, Beginning	5,044,559	5,044,559	6,814,686	1,770,127
Fund Balance, Ending	\$ 11,638,651	\$ 13,445,885	\$ 28,753,178	\$ 15,307,293

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Budgetary Comparison Schedule
Other Federal Programs Special Revenue Fund
For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
State Sources:	\$ 788,597	\$ 916,215	\$ -	\$ (916,215)
Federal Sources	11,955,388	10,837,614	10,785,936	(51,678)
Total Revenues	12,743,985	11,753,829	10,785,936	(967,893)
Expenditures				
Current:				
Instruction	12,743,985	12,558,214	9,405,799	3,152,415
Support Services	-	303,036	706,819	(403,783)
Total Expenditures	12,743,985	12,861,250	10,112,618	2,748,632
Excess (Deficiency) of Revenues Over Expenditures	-	(1,107,421)	673,318	1,780,739
Other Financing Sources (Uses)				
Transfers In	-	1,588,555	-	(1,588,555)
Transfers Out	-	-	(673,318)	(673,318)
Total Other Financing Sources (Uses)	-	1,588,555	(673,318)	(2,261,873)
Net Change in Fund Balance	-	481,134	-	(481,134)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ 481,134	\$ -	\$ (481,134)

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

**Notes to Required Supplementary Information
For the Year Ended June 30, 2022**

Note 1. Budgetary Basis of Accounting

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

Note 2. Retirement Systems

Changes of Assumptions

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

OTHER SUPPLEMENTARY INFORMATION

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

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

NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

NON-MAJOR CAPITAL PROJECTS FUNDS

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

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

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

NON-MAJOR DEBT SERVICE FUND

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

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Non-Major Governmental Funds
Combining Balance Sheet - By Fund Type
June 30, 2022**

	Special Revenue Funds			Debt Service	Capital Projects	Total Non-Major Governmental Funds
	Improving America's Schools (Title I)	School Lunch/Breakfast	Student Activities	Sinking Fund II	Construction Projects III Fund	
Assets						
Cash and Cash Equivalents	\$ 115	\$ 421,731	\$ 501,819	\$ 1,200,970	\$ 239,813	\$ 2,364,448
Interfund Receivables	-	-	-	-	-	-
Due from Other Governments	1,648,160	105,914	-	-	-	1,754,074
Inventory	-	270,003	-	-	-	270,003
Total Assets	\$ 1,648,275	\$ 797,648	\$ 501,819	\$ 1,200,970	\$ 239,813	\$ 4,388,525
Liabilities						
Accounts, Salaries and Other Payables	\$ 157,051	\$ 353,638	\$ 153	\$ -	\$ -	\$ 510,842
Interfund Payables	1,491,224	66,308	-	993,302	238,891	2,789,725
Total Liabilities	1,648,275	419,946	153	993,302	238,891	3,300,567
Deferred Inflows of Resources						
Unavailable Revenues	-	108,234	-	-	-	108,234
Fund Balances						
Nonspendable	-	270,003	-	-	-	270,003
Restricted	-	-	501,666	207,668	922	710,256
Unassigned	-	(535)	-	-	-	(535)
Total Fund Balances	-	269,468	501,666	207,668	922	979,724
Total Liabilities and Fund Balances	\$ 1,648,275	\$ 797,648	\$ 501,819	\$ 1,200,970	\$ 239,813	\$ 4,388,525

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2022**

	Special Revenue Funds			Debt Service	Capital Projects	Total Non-Major Governmental Funds
	Improving America's Schools (Title I)	School Lunch/Breakfast	Student Activities	Sinking Fund II	Construction Projects III Fund	
Revenues						
Local Sources:						
Taxes						
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	5,281	-	-	-	5,281
Student Activities	-	-	526,347	-	-	526,347
Interest Earnings	-	15	-	1,707	297	2,019
Total Local Sources	-	5,296	526,347	1,707	297	533,647
State Sources						
Minimum Foundation Program	-	45,413	-	-	-	45,413
Total State Sources	-	45,413	-	-	-	45,413
Federal Sources	2,421,786	3,181,566	-	-	-	5,603,352
Total Revenues	2,421,786	3,232,275	526,347	1,707	297	6,182,412
Expenditures						
Instruction	2,143,458	-	420,275	-	-	2,563,733
Support Services	234,881	3,105,257	-	-	-	3,340,138
Capital Outlay	-	42,751	-	-	-	42,751
Debt Service	-	-	-	-	-	-
Principal	-	-	-	820,000	-	820,000
Interest	-	-	-	183,784	-	183,784
Total Expenditures	2,378,339	3,148,008	420,275	1,003,784	-	6,950,406
Excess (Deficiency) of Revenues Over Expenditures	43,447	84,267	106,072	(1,002,077)	297	(767,994)
Other Financing Sources						
Transfers In	-	289,339	-	1,973,527	-	2,262,866
Transfers Out	(43,447)	-	-	-	-	(43,447)
Total Other Financing Sources	(43,447)	289,339	-	1,973,527	-	2,219,419
Net Change in Fund Balances	-	373,606	106,072	971,450	297	1,451,425
Fund Balances, Beginning	-	(104,138)	395,594	(763,782)	625	(471,701)
Fund Balances, Ending	\$ -	\$ 269,468	\$ 501,666	\$ 207,668	\$ 922	\$ 979,724

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Compensation Paid to School Board Members
For the Year Ended June 30, 2022**

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

See independent auditor's report.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2022**

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

Agency Head

Lynette Hookfin, Superintendent (July 2021 to May 2022)

Rebecca Johnson, Interim Superintendent (May 2022 to June 2022)

	Lynette Hookfin	Rebecca Johnson
Purpose	Amount	Amount
Salary	\$318,996	\$17,643
Benefits - Insurance	\$38,797	\$1,299
Benefits - Retirement	\$26,229	\$4,837
Benefits - Other	\$0	\$0
Car Allowance	\$19,000	\$1,750
Vehicle Provided by Government	\$0	\$0
Per Diem	\$0	\$0
Reimbursements	\$2,250	\$0
Travel	\$0	\$0
Registration Fees	\$0	\$0
Conference Travel	\$0	\$0
Continuing Professional Education Fees	\$0	\$0
Dues	\$0	\$0
Unvouchered Expenses	\$0	\$0
Special Meals	\$0	\$0

See independent auditor's report.

SINGLE AUDIT SECTION

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish School Board (the School Board) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated April 14, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-003.

School Board's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
April 14, 2023

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Board and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Board's internal control over compliance requirements relevant to the audit and design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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

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



A Professional Accounting Corporation

Covington, LA
April 14, 2023

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Education:			
<u>Child Nutrition Cluster :</u>			
Non-Cash Assistance			
National School Lunch Program	10.555	None	\$ 10,976
National School Lunch Program	10.555	None	2,317,744
National Breakfast Program	10.553	None	<u>598,720</u>
Total U.S. Department of Agriculture (Child Nutrition Cluster)			<u>2,927,440</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program - Administration for Children, Youth and Families -			
<u>Head Start Cluster:</u>			
Head Start	93.600	None	1,378,125
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant	93.575	28-17-22-48	118,449
Passed through Louisiana Department of Family Support:			
Temporary Assistance for Needy Families	93.558	28-17-36-48-344	<u>46,753</u>
Total U.S. Department of Health and Human Services			<u>1,543,327</u>
<u>U.S. Department of Education</u>			
Passed through Louisiana Department of Education:			
Career and Technical Education - Basic Grants to States	84.048	28-17-02-48-344	83,417
<u>Special Education Cluster:</u>			
Grants to States	84.027	20-18-B1-48	1,194,994
Preschool Grants	84.173	20-187-P1-48	<u>59,585</u>
Total Special Education Cluster			<u>1,254,579</u>
Improving America's School Act			
Title I - Grants to Local Educational Agencies	84.010	28-18-50-48-344	2,213,311
Supporting Effective Instruction State Grants	84.367	28-18-50-48-344	350,004
English Language Acquisition State Grants	84.365	28-15-60-48-344	11,548
Comprehensive Literacy Development	84.371	None	-
Student Support and Academic Enrichment Program	84.424	28-18-71-48	63,572

See notes to schedule of expenditures of federal awards.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Education (Continued)</u>			
Elementary and Secondary School Emergency Relief			
ESSER I Incentive - Covid 19	84.425D	U6810924.1920	127,060
ESSER I Formula - Covid 19	84.425D	U6810924.1920	1,922,327
ESSER II Formula - Covid 19	84.425D	U6810924.1920	515,038
ESSER III Formula - Covid 19	84.452D	U6810924.1920	<u>2,770,061</u>
			5,334,486
Passed through National Institute of Excellence in Teaching:			
Teacher and School Leader Incentive Funds	84.374A	U374A160022	<u>545,520</u>
Total U.S. Department of Education			<u>9,856,437</u>
Total Expenditures of Federal Awards			<u>\$ 14,327,204</u>

See notes to schedule of expenditures of federal awards.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

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, 2022. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other government agencies. The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture. The School Board has elected not to use the 10% de minimus indirect rate allowed under the Uniform Guidance.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Accrued Reimbursement

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

Note 4. Loans

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

Note 5. Federally Funded Insurance

The School Board has no federally funded insurance.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Financial Statements

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

Federal Awards

- | | |
|---|------------|
| 3. Internal control over major programs | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| 4. Type of auditor's report issued on compliance for each major program | Unmodified |
| 5. Audit findings disclosed that are required in accordance with Section 2 CFR 200.516(a) | No |
| 6. Identification of major programs | |

<u>Program</u>	<u>Assistance Listing Number</u>
Title I - Grants to Local Educational Agencies	84.010A
Education Stabilization Fund - Elementary and Secondary School Emergency Relief	84.425D
Head Start	93.600

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022**

Part II. FINDINGS - FINANCIAL STATEMENT AUDIT

2022-001 Approval Process

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

Condition: In testing of disbursements and other transactions during the year ended June 30, 2022, although purchase requisitions are approved by management, we noted that disbursements for invoices under \$5,000 do not require approval by management. While credit card transactions are matched to invoices by an accounting clerk, we noted that there is no signature approval required for the credit card statement. For payroll transactions, we noted that there was no documentation of management's review of the payroll check register prior to processing the payroll. We also noted that employee timesheets are not approved by appropriate members of management. We further noted that checks are electronically signed by the superintendent and board president. However, the electronic signatures were not current during the year ended June 30, 2022. We also noted that there is not currently a process for approval of bank reconciliations and statements.

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

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

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

2022-002 Account and Fund Coding of Grant Expenditures

Criteria: A material weakness in internal control over financial reporting is present due to a material amount of expenditures that were recorded in a fund other than the fund that the revenues were recorded.

Condition: During our testing of grant expenditures, we noted instances where grant expenditures were recorded in another fund other than the fund in which the grant revenue was recorded.

Cause: Transactions were recorded in the incorrect fund due to improper account coding of both payroll and non-payroll disbursements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022**

2022-002 Account and Fund Coding of Grant Expenditures (Continued)

Effect: Material adjusting journal entries were necessary to reclass the expenditures to the correct fund.

Recommendation: We recommend that management improve procedures and processes over account coding. Monthly general ledger detail reports should be compared to grant requests for reimbursements to ensure that expenditures are recorded in the proper fund.

Management's Response: Management will institute policies and procedures to improve account coding and will institute a review process whereby general ledger details are compared to grant requests for reimbursements on a monthly basis.

2022-003 Sexual Harassment

Criteria: Louisiana Revised Statute 42:343 requires each public servant receiving a minimum of one hour of education and training on preventing sexual harassment.

Condition: During our engagement, we identified that no School Board employees received the required training.

Cause: Oversight by management.

Effect: Noncompliance with LRS 42:343.

Recommendation: We recommend that management implement a plan to properly provide the required education and training to all employees.

Management's Response: Management will institute such a plan.

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

None.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Summary Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2022**

2021-001 Chief Financial Officer Vacancy

This finding has been resolved.

2021-002 Approval Process

This finding has not been resolved. See 2022-001.

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

This finding has been resolved.

AGREED-UPON PROCEDURES REPORT

St. John the Baptist Parish
School Board

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2021 - June 30, 2022

To the St. John the Baptist Parish School Board
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the St. John the Baptist Parish School Board's (the School Board) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2021 through June 30, 2022. St. John the Baptist Parish School Board's management is responsible for those C/C areas identified in the SAUPs.

The School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: The following elements were missing from the School Board's written policies and procedures: payroll/personnel - item 2; credit cards - no policy; travel and expense reimbursement - item 3; ethics - items 2, 3, and 4; debt service - item 2; information technology disaster recovery/business continuity - no policy; and sexual harassment - items 2 and 3. No other exceptions were found as a result of this procedure.

Board or Finance Committee

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

Results: No reference to the monthly budget-to-actual comparisons observed in the minutes. No other exceptions were found as a result of this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: The bank reconciliations selected were not prepared within 2 months of the related statement closing date. For four of the reconciliations selected, no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. For three of the reconciliations, no evidence of documentation reflecting that management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

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

Results: No exceptions were found as a result of this procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of this procedure.

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

Results: No exceptions were found as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

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

Results: Four of the deposits selected were not made within one business day of receipt at the collection location. No other exceptions were found as a result of this procedure.

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

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

Results: No exceptions were found as a result of this procedure.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties) and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: Observed that for part of the fiscal year, only one employee was involved in the processing and approving of payments to vendors. No other exceptions were found as a result of this procedure.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: On thirteen of the items selected, there was no documented evidence of segregation of duties tested under #9. No other exceptions were found as a result of this procedure.

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

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

Results: No exceptions were found as a result of this procedure.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

[Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

Results: There is no evidence that the monthly statements and supporting documentation selected were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. Three of the statements selected had finance charges and late fees assessed.

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

Results: One transaction had no indication of the business/public purpose. Two transactions selected were meals which had no documentation of the individuals participating in the meals. No other exceptions were found as a result of this procedure.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/ public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of this procedure.

Contracts

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

Results: No exceptions were found as a result of this procedure.

Payroll and Personnel

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

Results: No exceptions were found as a result of this procedure.

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

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: Four of the items selected had no documentation that supervisors approved the attendance and leave of the selected employees. No other exceptions were found as a result of this procedure.

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

Results: One of the employees selected was paid the incorrect hours. No other exceptions were found as a result of this procedure.

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

Results: Management indicated that the required payroll tax forms were not filed by the required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Two of the selected employees did not complete the one hour of ethics training. No other exceptions were found as a result of this procedure.

Debt Service

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

Results: No exceptions were found as a result of this procedure.

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

Results: No exceptions were found as a result of this procedure.

Fraud Notice

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

Results: No exceptions were found as a result of this procedure.

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

Results: No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

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

Results: Management indicated that no employees completed the one hour of training.

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

Results: No exceptions were found as a result of this procedure.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: No report was prepared for the fiscal period.

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

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

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
April 12, 2023

SJBSB Statewide AUP – Management’s Response

Procedure 1 – Written Policies and Procedures

Description of Finding:

The auditors noted that several elements were missing from the School Board’s written policies and procedures with regard to payroll/personnel, credit cards, travel and expense reimbursement, ethics, debt service, information technology, and sexual harassment.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

An internal review will be conducted on the aforementioned policies and procedures to ensure that the proper elements are in place for future testing and review.

Procedure 2 – Board or Finance Committee

Description of Finding:

No reference to the monthly budget-to-actual comparisons observed in the minutes.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being developed to ensure that budget-to-actual reports are provided to the appropriate board/committee on a monthly basis and captured in the meeting minutes.

Procedure 3 – Bank Reconciliations

Description of Finding:

The bank reconciliations were not prepared for 2 months of the related statement closing date. For four of reconciliations selected, no evident that a member of management review. For three of the reconciliations, no evidence of management’s review of items outstanding greater than 12 months.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures have been implemented to ensure management review and approvals for bank reconciliations are received and documented in a timely manner.

Procedure 7 – Collections – Deposit Dates

Description of Finding:

Four of the deposits selected were not made within one business day of receipt.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

An internal review will be conducted on our policies and procedures to ensure that deposits are made in a timely manner.

Procedure 9 – Non-Payroll Disbursements – Employee Involvement

Description of Finding:

Auditors observed that for part of the fiscal year, only one employee was involved in the processing and approving of payments to vendors.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures have been implemented to ensure that proper procedures are in place for future testing and review.

Procedure 10 – Non-Payroll Disbursements – Segregation of Duties

Description of Finding:

There was no documented evidence of segregation of duties tested under #9.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures have been implemented to ensure that proper procedures are in place for future testing and review.

Procedure 12 – Credit Cards/Debit Cards/Fuel Cards/P-Cards – Review & Approvals

Description of Finding:

There was no evidence that monthly statements were reviewed and approved by someone other than the authorized card holder.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being developed to ensure that proper procedures are in place for future testing and review.

Procedure 13 – Credit Cards/Debit Cards/Fuel Cards/P-Cards – Purpose of Use

Description of Finding:

One transaction had no indication of the business/public purpose. Two transactions selected were meals which had no documentation of the individuals participating in the meals.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures will be reviewed to ensure that transactions are properly documented for future testing and review.

Procedure 17 – Payroll and Personnel – Approvals

Description of Finding:

Four items selected had no documentation of supervisor approvals.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures have been implemented to ensure management review and approvals for payroll processing.

Procedure 18 – Payroll and Personnel – Termination Pay

Description of Finding:

One of the employees selected was paid incorrect hours.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being developed to ensure payroll and personnel processes are efficient and more accurately captured.

Procedure 19 – Payroll and Personnel – Payroll Tax Returns

Description of Finding:

The required payroll tax forms were not filed by the required deadlines.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being developed to ensure that reporting is done in a more timely manner.

Procedure 20 – Ethics

Description of Finding:

Two of the selected employees did not complete the one hour of ethics training.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being developed to ensure that proper procedures are in place for future testing and review.

Procedure 26 – Sexual Harassment - Training

Description of Finding:

No employees completed the one hour of training.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being reviewed to ensure that the appropriate trainings are provided to employees and completed in a timely manner.

Procedure 28 – Sexual Harassment - Report

Description of Finding:

No report was prepared for the fiscal period.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding.

Corrective Action:

Internal procedures are being developed to ensure that proper procedures are in place for future testing and review.

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

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

June 30, 2022



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of St. John the Baptist Parish School Board (the School Board) for the year ended June 30, 2022. The School Board's management is responsible for its performance and statistical data.

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

The procedures and associated findings are as follows:

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

1. We selected a sample of 30 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue
 - Total Local Earnings on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

Results: No exceptions noted.

Class Size Characteristics (Schedule 2)

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

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

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

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

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

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

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

* * * * *

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

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

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

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

A Professional Accounting Corporation

Covington, LA
April 12, 2023

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Schedules Required by Louisiana State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2022**

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

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

Schedule 2 - Class Size Characteristics

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

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
Class Size Characteristics
As of October 1, 2021**

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	58%	668	38%	436	4%	46	0%	3
Elementary Activity Classes	47%	124	44%	115	9%	23	0%	0
Middle/Jr. High	19%	20	40%	41	40%	41	1%	1
Middle/Jr. High Activity Classes	11%	2	42%	8	47%	9	0%	0
High	68%	300	18%	76	12%	51	2%	7
High Activity Classes	83%	58	9%	6	4%	3	4%	3
Combination	100%	12	0%	0	0%	0	0%	0
Combination Activity Classes	100%	1	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.

SJBSB BESE AUP – Management’s Response

Procedure 2 – Class Size Characteristics

Description of Finding:

The auditors were unable to perform the above procedure as the detail class size report and attendance information was not available.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding as stated in the report. Class size characteristics were unable to be performed due to the absence of students in the wake of Hurricane Ida.

Corrective Action:

With the return of students and staff to school campuses, this information will be furnished for next fiscal year.

Procedure 3 – Education Levels/Experience of Public School Staff

Description of Finding:

The auditors were unable to perform the above procedure as the October 1st PEP report was not available.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding as stated in the report. The October 1st PEP report was unable to be produced within the timelines of the review.

Corrective Action:

Internal procedures are being developed to ensure that this data is available and accurate to be provided for future testing and review.

Procedure 4 – Public School Staff Data: Average Salaries

Description of Finding:

The auditors were unable to perform the above procedure as the June 30th PEP data was not available.

Statement of Concurrent or Nonconcurrency:

We are in agreement with this finding as stated in the report. The June 30th PEP report was unable to be produced within the timelines of the review.

Corrective Action:

Internal procedures are being developed to ensure that this data is available and accurate to be provided for future testing and review.