
ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

The Members of the
Zachary Community School Board
Zachary, Louisiana

Report on the Audit of the 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 Zachary Community 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 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 (GAAS) 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 Auditors' 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 other 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.

Emphasis of a Certain Matter

As described in Note 13 to the financial statements, the School Board implemented Governmental Accounting Standards Board Statement No. 87 *Leases*, as of July 1, 2021, which required, among other things, that liabilities and right-to-use assets be recorded for certain lease agreements. Our opinion is not modified with respect to this matter.

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.

Auditors' 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 auditors' 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 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, including omissions, 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 management's discussion and analysis, schedule of changes in total other post-employment liability and related ratios, schedule of school board's proportionate share of the net pension liability for the retirement systems, schedule of employer contributions to the retirement systems, notes to required supplementary information, the budgetary comparison information and related notes, as listed in the table of contents 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.

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 combining and individual non-major fund financial statements, the schedule of board members' compensation, the schedule of compensation benefits, and other payments to the superintendent, and the schedule of expenditures of federal awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of board members' compensation, the schedule of compensation benefits, and other payments to the superintendent, and the schedule of expenditures of federal awards and related notes, 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 December 22, 2022 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 22, 2022

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022

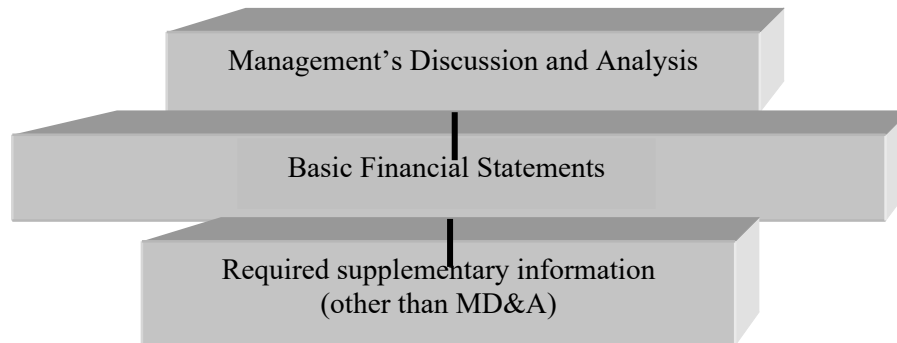
Management’s Discussion and Analysis of the Zachary Community School Board’s financial performance presents a narrative overview and analysis of Zachary Community School Board’s financial activities for the year ended June 30, 2022. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information (where available).

FINANCIAL HIGHLIGHTS

- ★ The Zachary Community School Board’s liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$27,601,305 at the close of fiscal year 2022. The Zachary Community School Board’s liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2021 by \$34,782,978.
- ★ For the fiscal year 2022, revenues exceeded expenses by \$7,181,673. For the fiscal year 2021, revenues exceeded expenses by \$4,553,292.
- ★ State MFP revenues were approximately \$33.7 million for the fiscal year 2022 and \$33.3 million for the fiscal year 2021 due to an increase in the number of students.
- ★ Outstanding debt was \$57,995,093 and \$64,059,818 for the years ended June 30, 2022 and 2021, respectively, which is a decrease of approximately \$6,065,000 resulting from required principal payments being made throughout this fiscal year and the defeasance of existing bonds. During the fiscal year 2022, the School Board issued \$9,295,000 of long-term debt. See Note 7. The proceeds of the debt issued were used to refund or for defeasance of existing debt. A deferred loss of \$311,308 was recognized related to the refunding and will be amortized over 9 years.
- ★ During the fiscal year 2022, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The School Board leases various land and equipment used for a variety of purposes and uses including athletics, copiers, and vehicles. In accordance with GASB Statement No. 87, *Leases*, the combined value of the lease liabilities recorded was \$547,420 as of June 30, 2022. The recorded value of the right-to-use assets as of the end of the current fiscal year was \$832,014 and accumulated amortization of these assets were \$288,525. See Note 13.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the basic financial statements), and required supplementary information. **Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board’s finances, in a manner similar to a private sector business.

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The *statement of net position* presents information on all of the School Board's assets and liabilities, and deferred inflows/outflows of resources, with the differences between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

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

The government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally-owned utility system. The governmental activities of the School Board include regular education, special education, and other educational programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units), nor is it contained as a component unit of any other level of local or state government.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains many individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, and the ESSERF, which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of other non-major governmental, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements in other supplemental information of this report.

The School Board adopts annual appropriated budgets for the General Fund and Special Revenue Funds. Budgets are not adopted for Capital Projects Funds and the Debt Service Fund.

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

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE ENTITY

Condensed Statement of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 11,846,206	\$ 11,903,642
Investments	19,312,576	21,340,071
Receivables	4,213,934	4,559,308
Inventory	184,681	194,670
Prepaid and other assets	890,215	745,809
Capital assets, net	<u>109,659,304</u>	<u>112,164,618</u>
Total assets	<u>146,106,916</u>	<u>150,908,118</u>
Total deferred outflows of resources	<u>29,627,977</u>	<u>40,595,014</u>
Salaries, payroll deduction and expenses payable	4,785,005	4,472,143
Accrued interest payable	476,132	536,778
Bonds payable	57,995,093	64,059,818
Lease liability	547,420	-
Compensated absences payable	4,610,328	4,559,370
Other post-employment benefit obligation	43,668,281	75,429,935
Net pension liability	<u>34,145,393</u>	<u>69,384,869</u>
Total liabilities	<u>146,227,652</u>	<u>218,442,913</u>
Total deferred inflows of resources	<u>57,108,546</u>	<u>7,843,197</u>
Net position (deficit):		
Net investment in capital assets	51,952,321	48,104,800
Restricted for:		
Debt service	8,029,389	10,817,028
School food service	943,013	172,436
Other purposes	1,845,185	1,748,153
Unrestricted	<u>(90,371,213)</u>	<u>(95,625,395)</u>
Total net position (deficit)	<u>\$ (27,601,305)</u>	<u>\$ (34,782,978)</u>

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Investments account for approximately 13% and 14% of the total assets of the School Board for the years ended June 30, 2022 and 2021, respectively.

Capital assets, which are reported net of accumulated depreciation, account for approximately 75% and 74% of the total assets of the School Board for the years ended June 30, 2022 and 2021, respectively.

Net position invested in capital assets (capital assets minus the debt issued to acquire the assets) increased approximately 8% resulting from the purchase of additional assets during the year and right-of-use leased assets capitalized in the current year. Restricted net position decreased approximately 15% from prior year due to the reserve in the debt service fund. Unrestricted net deficit is largely the result of the total other post-employment benefit liability of \$43,668,281 and the net pension liability of \$34,145,393 exceeding assets available to fund those liabilities. Those liabilities must be satisfied through future contributions to the plans.

Total assets decreased slightly by 3.18% over the prior year due to a decrease in cash and investments held at year end.

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Condensed Statement of Activities
For the Years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Program revenues		
Charges for services	\$ 4,015,751	\$ 2,548,131
Operating grants	8,987,340	6,786,248
General revenues		
Property taxes	18,452,238	18,550,014
Sales taxes	12,514,594	11,843,675
Earnings on investments	(2,969,612)	17,384
MFP	33,671,765	33,311,805
Other	1,310,228	1,083,816
	75,982,304	74,141,073
Expenses		
Regular education	23,866,323	32,910,493
Special education	5,114,733	6,103,735
Other education	8,409,116	7,910,958
Pupil support	2,728,810	3,143,322
Instructional staff	2,339,838	2,423,302
General administrative	1,382,365	1,271,840
School administrative	2,839,327	3,170,322
Business and central services	2,405,746	2,414,015
Plant operation and maintenance	9,914,825	10,132,729
Transportation	4,524,181	4,197,497
Food service	2,434,797	2,578,936
Facilities acquisition and construction	294,338	42,377
Appropriations - charter schools	584,618	491,601
Debt service:		
Interest and bank fees	1,961,614	1,903,238
	68,800,631	78,694,365
Changes in net position	\$ 7,181,673	\$ (4,553,292)

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Changes in Net Position

- MFP totaling approximately \$33.6 million and \$33.3 million accounts for 44% and 45% of total revenues for the years ended June 30, 2022 and 2021, respectively. This increase is in line with the increase in enrollment.
- Property taxes totaling approximately \$18.5 million and \$18.6 million accounts for 24% and 25% of total revenues for the years ended June 30, 2022 and 2021. The decrease reflected in property taxes is due to a local plant idling half of its facility in November 2021 as a result of the pandemic which significantly reduced its property value for the 2021 tax year and in turn reduced the ad valorem tax revenue collections for the general and debt service funds.
- Sales taxes increased from approximately \$11.8 million in the prior year to approximately \$12.5 million for the year ended June 30, 2022. Sales tax accounts for 16% of total revenues for the years ended June 30, 2022 and 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the Zachary Community School Board had \$109,659,304 (net of accumulated depreciation and amortization of \$46,146,418) invested in a broad range of capital assets, including land, building, and equipment. (See Table below).

Capital Assets (Net of Depreciation and Amortization) as of June 30, 2022 and 2021		
	2022	2021
Land	\$ 5,308,503	\$ 5,308,503
Construction in progress	-	325,152
Buildings and improvements	101,490,275	104,152,880
Equipment, fixtures, and vehicles	2,317,037	2,378,083
Right-of-use leased assets	543,489	-
Total	\$ 109,659,304	\$ 112,164,618

During the year ended June 30, 2022, there were additions totaling \$806,280 related to equipment purchases, \$68,410 related to construction in progress, and right-of-use assets totaling \$543,489 as a result of implementation of GASB Statement No. 87. The construction in progress was completed and capitalized during the year ended June 30, 2022 and consisted of the construction of stadium lights at Zachary High School and a storage building at Rollins Place Elementary School.

ZACHARY COMMUNITY SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-term debt

During the fiscal year 2022, the School Board issued \$9,295,000 of General Obligation School Refunding Bonds, Series 2021A for the purpose of the advanced refunding of the General Obligation School Refunding Bonds, Series 2012 totaling \$9,000,000.

The total bonds outstanding for the year ended 2022 were \$57,995,093 including unamortized premiums on issuance of \$1,790,093. During the fiscal year 2022, \$6,240,000 of principal payments and \$1,762,881 of interest payments were made.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Final budgeted revenues are slightly lower than originally budgeted due to a decrease in earnings on investments and ad valorem tax revenue. Final budgeted expenditures were slightly higher than originally budgeted due to teacher raises approved in May 2021 and additional ESSERF expenditures during the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- General Fund and other funds revenues and expenditures are expected to remain consistent with current years.

The School Board expects next year's results to be consistent with the current year.

CONTACTING THE ZACHARY COMMUNITY SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to John Musso, Business Manager, Zachary Community School Board, 3755 Church Street, Zachary, LA 70791.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 11,846,206
Investments	19,312,576
Receivables	4,213,934
Inventory	184,681
Prepaid assets	847,821
Other assets	42,394
Capital assets, net	109,659,304
TOTAL ASSETS	<u>146,106,916</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to bond refunding	835,530
Deferred outflow amounts related to pension liability	12,829,435
Deferred outflow amounts related to OPEB liability	15,963,012
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>29,627,977</u>
<u>LIABILITIES</u>	
Salaries, payroll deduction and expenses payable	4,785,005
Accrued interest payable	476,132
Long-term liabilities	
Due within one year (bonds, leases and compensated absences)	7,077,981
Due in more than one year (bonds, leases and compensated absences)	56,074,860
Net pension liability	34,145,393
Other post-employment benefit obligation - Due within one year	1,361,692
Other post-employment benefit obligation - Due in more than one year	42,306,589
TOTAL LIABILITIES	<u>146,227,652</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to pension liability	24,616,171
Deferred inflow amounts related to OPEB liability	32,492,375
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>57,108,546</u>
<u>NET POSITION</u>	
Net investment in capital assets	51,952,321
Restricted for:	
Debt service	8,029,389
School food service	943,013
Other purposes	1,845,185
Unrestricted	(90,371,213)
TOTAL NET POSITION (DEFICIT)	<u>\$ (27,601,305)</u>

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

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit	
<u>Functions/Programs</u>				
Instruction:				
Regular education programs	\$ 23,866,323	\$ -	\$ 1,039,189	\$ (22,827,134)
Special education programs	5,114,733	-	255,983	(4,858,750)
Other education programs	8,409,116	3,803,695	3,823,640	(781,781)
Support Services:				
Pupil support services	2,728,810	-	115,744	(2,613,066)
Instructional staff services	2,339,838	-	514,372	(1,825,466)
General administration services	1,382,365	-	-	(1,382,365)
School administration services	2,839,327	-	-	(2,839,327)
Business and central services	2,405,746	-	15,255	(2,390,491)
Plant operation and maintenance	9,914,825	-	86,343	(9,828,482)
Transportation	4,524,181	-	144,129	(4,380,052)
Non-Instructional Services:				
Food service	2,434,797	212,056	2,992,685	769,944
Appropriations - charter schools	584,618	-	-	(584,618)
Facilities acquisition and construction	294,338	-	-	(294,338)
Debt Service:				
Interest and bank fees	1,961,614	-	-	(1,961,614)
Total Governmental Activities	68,800,631	4,015,751	8,987,340	(55,797,540)
Local sources				
Taxes:				
Ad valorem				18,452,238
Sales and use				12,514,594
Earnings on investments				(2,969,612)
Other				1,205,603
State sources				
Unrestricted grants-in-aid				33,671,765
Other				104,625
		Total general revenues		62,979,213
Change in Net Position				7,181,673
Net Position - July 1, 2021				(34,782,978)
Net Position - June 30, 2022				\$ (27,601,305)

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

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022

	General	Debt Service	ESSERF	Other Non-Major Governmental	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$ 7,998,113	\$ 933,866	\$ -	\$ 2,914,227	\$ 11,846,206
Investments	11,596,796	7,715,780	-	-	19,312,576
Receivables	2,066,042	13,463	1,206,139	928,290	4,213,934
Due from other funds	2,450,648	-	-	956,478	3,407,126
Prepaid assets	847,821	-	-	-	847,821
Other assets	42,244	-	-	150	42,394
Inventory	116,088	-	-	68,593	184,681
	<u>\$ 25,117,752</u>	<u>\$ 8,663,109</u>	<u>\$ 1,206,139</u>	<u>\$ 4,867,738</u>	<u>\$ 39,854,738</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Salaries, payroll deductions and expenses payable	\$ 4,676,788	\$ 415	\$ -	\$ 107,802	\$ 4,785,005
Due to other funds	956,478	168,611	1,206,139	1,075,898	3,407,126
	<u>5,633,266</u>	<u>169,026</u>	<u>1,206,139</u>	<u>1,183,700</u>	<u>8,192,131</u>
Fund balances:					
Nonspendable	1,006,153	-	-	68,743	1,074,896
Restricted for:					
Debt service	-	8,494,083	-	-	8,494,083
School food service	-	-	-	943,013	943,013
Other purposes	-	-	-	1,845,185	1,845,185
Assigned:					
Capital construction	-	-	-	827,097	827,097
Technology	1,513,608	-	-	-	1,513,608
Unassigned	16,964,725	-	-	-	16,964,725
	<u>19,484,486</u>	<u>8,494,083</u>	<u>-</u>	<u>3,684,038</u>	<u>31,662,607</u>
	<u>\$ 25,117,752</u>	<u>\$ 8,663,109</u>	<u>\$ 1,206,139</u>	<u>\$ 4,867,738</u>	<u>\$ 39,854,738</u>

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

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances at June 30, 2022 - Governmental Funds		\$	31,662,607
Cost of capital assets at June 30, 2022	\$	155,805,722	
Less: Accumulated depreciation and amortization as of June 30, 2022:			
Buildings	(37,458,329)		
Movable property	(8,399,564)		
Right-of-use leased assets	<u>(288,525)</u>		109,659,304
Accrued interest payable			(476,132)
Long-term liabilities at June 30, 2022:			
Bonds payable	(56,205,000)		
Bond premium	(1,790,093)		
Compensated absences payable	(4,610,328)		
Lease liability	<u>(547,420)</u>		(63,152,841)
Deferred amounts related to bond refunding			835,530
Other post-employment benefit liabilities, deferred inflows and deferred outflows of resources			
Other post-employment benefit liability	(43,668,281)		
Deferred outflows of resources related to OPEB liability	15,963,012		
Deferred inflows of resources related to OPEB liability	<u>(32,492,375)</u>		(60,197,644)
Pension liabilities, deferred inflows and deferred outflows of resources			
Net pension liability	(34,145,393)		
Deferred pension contributions	7,691,944		
Deferred outflow of resources - related to net pension liability	5,137,491		
Deferred amounts related to pension liability	<u>(24,616,171)</u>		<u>(45,932,129)</u>
Total Net Position at June 30, 2022 - Governmental Activities		\$	<u><u>(27,601,305)</u></u>

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

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUES</u>	<u>General</u>	<u>Debt Service</u>	<u>ESSERF</u>	<u>Other Non-Major Governmental</u>	<u>Total</u>
Local sources:					
Taxes:					
Ad valorem	\$ 12,031,352	\$ 6,420,886	\$ -	\$ -	\$ 18,452,238
Sales and use	12,514,594	-	-	-	12,514,594
Food sales	-	-	-	212,056	212,056
Earnings (Loss) on investments	(2,389,387)	(580,584)	-	359	(2,969,612)
Extended day program tuition	414,185	-	-	340,234	754,419
Student activities	-	-	-	3,389,510	3,389,510
Other	736,485	22,975	-	105,909	865,369
State sources:					
Unrestricted grants-in-aid	33,641,603	-	-	30,162	33,671,765
Restricted grants-in-aid	279,982	-	-	590,376	870,358
Other	104,625	-	-	-	104,625
Federal sources:					
Restricted grants-in-aid - direct	420,330	-	-	-	420,330
Restricted grants-in-aid - subgrants	-	-	2,448,459	5,053,456	7,501,915
Commodities - United States Department of Agriculture	-	-	-	194,737	194,737
TOTAL REVENUES	<u>57,753,769</u>	<u>5,863,277</u>	<u>2,448,459</u>	<u>9,916,799</u>	<u>75,982,304</u>
<u>EXPENDITURES</u>					
Current:					
Instruction:					
Regular education programs	25,061,806	-	921,497	515,079	26,498,382
Special education programs	5,662,345	-	-	353,872	6,016,217
Other education programs	3,838,852	-	425,605	4,860,207	9,124,664
Support services:					
Pupil support services	3,035,491	-	81,597	78,408	3,195,496
Instructional staff services	1,999,493	-	220,662	490,407	2,710,562
General administration services	1,282,426	180,551	-	-	1,462,977
School administration services	3,372,404	-	-	-	3,372,404
Business and central services	2,651,542	-	-	21,088	2,672,630
Plant operation and maintenance	7,096,836	-	119,362	-	7,216,198
Transportation	4,241,170	-	117,603	81,642	4,440,415
Non-Instructional services:					
Food service	122,072	-	-	2,496,098	2,618,170
Appropriations - charter schools	584,618	-	-	-	584,618
Facility acquisition and construction	-	-	272,526	90,222	362,748
Debt service:					
Principal retirement	284,594	6,240,000	-	-	6,524,594
Interest and bank charges	25,307	1,767,135	-	-	1,792,442
Bond issuance costs	-	199,455	-	-	199,455
TOTAL EXPENDITURES	<u>59,258,956</u>	<u>8,387,141</u>	<u>2,158,852</u>	<u>8,987,023</u>	<u>78,791,972</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,505,187)</u>	<u>(2,523,864)</u>	<u>289,607</u>	<u>929,776</u>	<u>(2,809,668)</u>

(continued)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	General	Debt Service	ESSERF	Other Non-major Governmental	Total
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	\$ 367,500	\$ -	\$ -	\$ 500,000	\$ 867,500
Operating transfers out	(500,000)	-	(289,607)	(77,893)	(867,500)
Payment to refunded bond escrow agent	-	(9,286,511)	-	-	(9,286,511)
Proceeds of refunding bonds	-	9,295,000	-	-	9,295,000
Premium from issuance of bonds	-	192,430	-	-	192,430
TOTAL OTHER FINANCING SOURCES (USES)	<u>(132,500)</u>	<u>200,919</u>	<u>(289,607)</u>	<u>422,107</u>	<u>200,919</u>
<u>NET CHANGES IN FUND BALANCE</u>	<u>(1,637,687)</u>	<u>(2,322,945)</u>	<u>-</u>	<u>1,351,883</u>	<u>(2,608,749)</u>
Fund balances, June 30, 2021	<u>21,122,173</u>	<u>10,817,028</u>	<u>-</u>	<u>2,332,155</u>	<u>34,271,356</u>
FUND BALANCES, JUNE 30, 2022	<u>\$ 19,484,486</u>	<u>\$ 8,494,083</u>	<u>\$ -</u>	<u>\$ 3,684,038</u>	<u>\$ 31,662,607</u> (concluded)

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

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, 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 Changes in Fund Balance - Governmental Funds		\$ (2,608,749)
Capital Assets:		
Loss on disposal of fixed assets	\$ (13,927)	
Capital outlay capitalized	874,690	
Depreciation and amortization expense for year ended June 30, 2022	<u>(4,198,091)</u>	(3,337,328)
Change in accrued interest payable		60,646
Amortization of deferred loss on refundings		(311,308)
Long Term Debt:		
Principal portion of debt service payments	6,240,000	
Payment to refunded bond escrow agent	9,286,511	
Amortization of bond premium	280,945	
Premium on debt issuance	(192,430)	
Proceeds from bonds issued during the year	(9,295,000)	
Lease principal	284,594	
Change in compensated absences payable	(50,958)	
Net change in pension liability and deferred inflows/outflows of resources	7,415,640	
Net change in post-employment benefit obligation and deferred inflows/outflows of resources	<u>(590,890)</u>	<u>13,378,412</u>
Change in Net Position - Governmental Activities		<u>\$ 7,181,673</u>

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

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Reporting Entity

Effective July 1, 2003, the Zachary Community School Board (the School Board) seceded from the East Baton Rouge Parish School System (EBRPSS) and formed its own school district. The School Board was created in accordance with Louisiana Revised Statute (LSA-R.S.) 17:64 for the purpose of providing public education for the residents of the Zachary Community. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is currently comprised of 9 members who are elected for a term of four years.

The School Board operates eight schools within the community with a total enrollment of approximately 5,500 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

The Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB 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. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the city police jury, other independently elected city officials, and municipalities within the city, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity.

b. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

b. **Fund Accounting** (continued)

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the School Board's governmental fund types:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant and entitlement programs established for various educational objectives.

Capital Projects Fund - The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

Debt Service Fund - The Debt Service Fund, established to meet requirements of bond ordinances, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

The School Board reports the following governmental funds as major funds: the General Fund, the Debt Service Fund and the ESSERF Fund.

c. **Basis of Accounting**

The School Board's basic financial statements consist of the government-wide statements on all of the non-fiduciary funds activities and fund financial statements (individual major fund, combined non-major fund and fiduciary fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*.

d. **Measurement Focus/Basis of Accounting**

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the Fiduciary Fund. The Fiduciary Fund is only reported in the Statement of Fiduciary Assets and Liabilities at the Fund Financial Statement level.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

d. **Measurement Focus/Basis of Accounting** (continued)

Government-Wide Financial Statements (GWFS) continued

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur, and property taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from parties outside of the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales and miscellaneous student fees.

Expenses and 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 by function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on the buildings is assigned to the plant operation and maintenance function due to the fact that school buildings serve multiple purposes. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements

Governmental Funds

The accounting and financial reporting treatments applied to a fund are determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in current net position.

Governmental Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Such revenue items are ad valorem taxes, sales taxes and state and federal entitlements.

Sales and use taxes and ad valorem taxes are considered "available" when expected to be collected within the next two months. Revenue from state and federal grants is recorded when the reimbursable expenditures have been incurred.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

d. **Measurement Focus/Basis of Accounting** (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. 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, and general long-term obligations principal and interest payments are recognized only when due.

e. **Budget and Budgetary Accounting**

The proposed budgets for fiscal year 2022 were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2022 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds were published in the official journal fourteen days prior to the public hearings.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is reappropriated in the next year. Current year transactions which are directly related to prior year's budget are reappropriated in the current year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the basic financial statements include the original adopted budget and all subsequent amendments.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

f. **Cash, Cash Equivalents, and Investments**

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 bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand, cash on deposit, certificates of deposit and money market accounts. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated 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.

The Board has reported their investments, with a remaining maturity at time of purchase of one year or less, at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2022. Fair value was determined by obtaining quoted year-end market prices.

g. **Federal Grants and Other Receivables**

Federal grants receivable consists of receivables for reimbursement of expenditures under various federal programs and grants. These amounts are expected to be collected within the next twelve months. Other receivables relate to sales tax collections which are anticipated to be collected within 60 days of the fiscal year end.

h. **Inventory and Prepaid Assets**

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenues and expenses when consumed. All inventory items purchased are valued at the lower of cost (first-in, first-out) or market, and donated commodities are assigned values based on information provided by the United States Department of Agriculture. Prepaid assets include prepaid insurance and worker's compensation premiums.

i. **Capital Assets**

Capital assets are capitalized at historical cost or estimated historical cost for assets where the actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of the donation. The system for the accumulation of fixed asset cost data does not provide the means for determining the percentage of assets valued at actual cost and those valued at estimated cost.

Capital assets are recorded in the GWFS but are not recorded in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. 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. Useful lives are approximately 40 years for buildings and improvements and 3 to 20 years for equipment, fixtures and vehicles.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

i. **Capital Assets** (continued)

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

j. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has three types of items that qualify for reporting in this category. It has deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The \$835,530 balance of deferred outflows of resources related to bond refunding will be recognized as interest expense over the remaining life of the bonds. The School Board also has deferred outflows of resources related to the net pension liability of \$12,829,435 and deferred outflows of resources related to the other post-employment benefit liability of \$15,963,012. See Note 8 for additional information on deferred outflows of resources related to defined benefit pension plans and Note 9 for additional information on deferred outflows of resources related to the other post-employment benefit liability.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has two items that qualify for reporting in this category related to the net pension liability in the amount of \$24,616,171 and the other post-employment benefit liability in the amount of \$32,492,375. See Note 8 and Note 9, respectively, for additional information on deferred inflows of resources related to defined benefit pension plans and other post-employment benefits.

k. **Compensated Absences**

All 12-month employees earn from 10 to 20 days of vacation leave each year, depending on length of service with the School Board. Vacation leave may be accumulated up to 50 days. The School Board will pay up to 50 days of unused vacation upon separation. The remaining balance is forfeited.

All School Board employees earn 10 to 12 days of sick leave each year depending on the number of months employed within a year. Sick leave may be accumulated without limitation. Upon death or retirement, a maximum of 25 days of unused sick leave is paid to the employee or designated heir at the employee's current rate of pay. Under the Louisiana Teacher's Retirement System, the unused sick leave is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

k. **Compensated Absences** (continued)

Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Leave may be granted for rest and recuperation and professional and cultural improvement.

The cost of compensated absence privileges is recognized as a current year expenditure in the General Fund when leave is actually taken, or when employees or their heirs are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded as compensated absences payable of \$4,610,328 in the Government-wide financial statements.

l. **Leases**

The School Board is a lessee for noncancellable lease agreements for land and equipment used for a variety of purposes and uses, including athletics, vehicles, and copiers. In accordance with GASB Statement No. 87, *Leases*, the School Board recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period greater than one year. The lease liability is measured at the commencement of the lease at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include (1) the discount rate used to present value the expected lease payment, (2) lease term, and (3) lease payments.

- The School Board uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the School Board uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms includes the noncancellable period of the lease and optional renewal periods. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

The School Board monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

m. 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 and liabilities and disclosure of contingent assets and liabilities to the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

n. Sales, Use and Property Taxes

The voters of the Zachary Community School District authorized the School Board to levy a two percent system wide sales and use tax. A one percent Zachary Community School Board Sales and Use Tax approved on April 7, 2001 is to be used for the purpose of acquiring, constructing, improving, maintaining and operating public elementary and secondary schools, including school related buildings, equipment and facilities with the geographic boundaries of the Zachary Community School Board, subject to funding into bonds in the manner provided by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950.

A one percent Zachary Community Educational Facilities Improvement District Sales and Use Tax approved on April 7, 2001 is to be used to pay the costs of acquiring, constructing, improving, maintaining, and operating the public elementary and secondary schools and school related buildings, equipment and facilities, within and for the Zachary Community School Board, and paying salaries and benefits of School Board personnel.

Ad valorem taxes are collected by the East Baton Rouge Parish Tax Collector's Office and remitted to the School Board on a monthly basis. Ad valorem taxes are assessed and levied on a calendar year basis by the East Baton Rouge Parish Assessor's Office, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable by November 15. An enforceable lien attaches on the property as of November 15. As of December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally collected in January, February and March of the fiscal year.

o. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Capital Outlay
	Debt Service

In the fund financial statements, governmental funds report expenditures of current financial resources.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

p. Interfund Transactions

During the course of normal operations, the School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying fund financial statements generally reflect such transactions as operating transfers.

q. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on assets use either:

Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments, or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

r. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the School Board or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances 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.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

r. **Fund Equity of Fund Financial Statements** (continued)

Assigned – represents balances that are constrained by the School Board’s intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

s. **Debt Refundings**

Debt refundings are accounted for in accordance with government accounting standards. This statement requires accounting for gains and losses that result from debt refundings to be deferred and amortized over the life of the new debt or the retired debt, whichever is the shorter period. The deferred refunding amounts are classified as either a deferred inflow or outflow in the financial statements.

t. **Pension Plans**

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 8. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans’ fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

u. **Current Year Adoption of New Accounting Standard**

The School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Under this Statement, lease contracts, as defined, are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments’ leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

While GASB 87 resulted in the recording of assets and liabilities (and deferred inflows if lessor lease) that were not previously recognized, changes to the accounting for lease payments and collections, there were no effects to beginning net position or fund balances as a result of this statement’s implementation. Beginning with the implementation in the current fiscal year, lease payments are accounted for as repayment of debt principal and interest, and lease collections are accounted for as collection of receivables.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes collected during the fiscal year ended June 30, 2022:

	Authorized Millage	Levied Millage
Constitutional	5.00	5.00
Special	38.20	38.20
Bond and Interest	24.00	24.00

3. Cash and Investments

Deposits:

Custodial credit risk is the risk that in the event of a financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2022, the bank balance of \$12,141,567 was not exposed to custodial credit risk.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

Investments:

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

Investment Type	INVESTMENT MATURITIES (IN YEARS)				
	Fair Value	Less Than 1	1-5	6-10	More than 10
General Fund					
U.S. Government Agencies	\$ 11,596,795	\$ -	\$ -	\$ 1,724,180	\$ 9,872,615
Debt Service Fund					
U.S. Government Agencies	7,715,781	-	4,946,594	-	2,769,187
Total Investments	\$ 19,312,576	\$ -	\$ 4,946,594	\$ 1,724,180	\$ 12,641,802

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. **Cash and Investments** (continued)

The School Board has the following recurring fair value measurements as of June 30, 2022:

Level 2 inputs – U.S. government agency securities, and municipal securities totaling \$19,312,576 are valued using a market-based approach comprised of a combination of directly observable quoted prices and a matrix pricing technique that relies on the securities’ relationship to other benchmark quoted securities.

Interest Rate Risk - Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rates. One indicator of the measure of interest rate risk is the dispersion of maturity dates of debt instruments. The School Board’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Under Louisiana R.S. 33:2955, as amended, the School Board may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The Board’s investment policy does not further limit its investment choices. As of June 30, 2022, the Board’s investment in U.S. Government Agencies was rated Aaa by Moody’s Investors Service and AA+ by Standard & Poor’s.

Concentration of Credit Risk - The School Board’s investment policy does not limit the amount the School Board may invest in any one issuer. More than 5 percent of the Board’s investments are in Federal Home Loan Bank, Federal Farm Credit Bank and US Treasury securities. These investments are 62%, 15%, and 23%, respectively.

4. **Due From/To Other Funds**

The School Board’s consolidated cash account holds the cash of all funds. As a result, negative cash balances occur in certain funds and are in essence “financed” by the General Fund. Positive book cash balances are displayed on the Governmental Funds balance sheet as “cash and cash equivalents,” while negative cash balances are included in “Due to other Funds” on the Governmental Funds balance sheet. Individual balances due to/from other funds at June 30, 2022, which represent short-term loans, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 2,450,648	\$ 956,478
Debt Service Fund	-	168,611
ESSERF Fund	-	1,206,139
Non-Major Funds	956,478	1,075,898
Total	<u>\$ 3,407,126</u>	<u>\$ 3,407,126</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. Interfund Transfers

Interfund transfers for the year ended June 30, 2022, were as follows:

Fund	Transfer in	Transfer Out
General Fund	\$ 367,500	\$ 500,000
ESSERF Fund	-	289,607
Non-Major Funds	500,000	77,893
Total	<u>\$ 867,500</u>	<u>\$ 867,500</u>

The purposes of interfund transfers generally are: (1) to transfer indirect cost reimbursements to the general fund from the special revenue funds, and (2) to transfer supplemental local funds for program operations from the general fund to other programs.

6. Capital Assets

Capital assets and depreciation and amortization activity as of and for the year ended June 30, 2022 is as follows:

	Land	Buildings and Improvements	Equipment, Fixtures & Vehicles	Right-of-use Leased Assets	Construction in Progress	Total
<u>Cost:</u>						
at June 30, 2021	\$ 5,308,503	\$ 138,555,041	\$ 10,618,438	\$ -	\$ 325,152	\$ 154,807,134
Prior period adjustment	-	-	-	832,014	-	832,014
at June 30, 2021, restated	5,308,503	138,555,041	10,618,438	832,014	325,152	155,639,148
Reclass CIP	-	393,562	-	-	(393,562)	-
Additions	-	-	806,280	-	68,410	874,690
Deletions	-	-	(708,116)	-	-	(708,116)
at June 30, 2022	<u>5,308,503</u>	<u>138,948,603</u>	<u>10,716,602</u>	<u>832,014</u>	<u>-</u>	<u>155,805,722</u>
<u>Accumulation depreciation and amortization:</u>						
at June 30, 2021	-	34,402,161	8,240,355	-	-	42,642,516
Prior period adjustment	-	-	-	-	-	-
at June 30, 2021, restated	-	34,402,161	8,240,355	-	-	42,642,516
Additions	-	3,056,167	853,399	288,525	-	4,198,091
Deletions	-	-	(694,189)	-	-	(694,189)
at June 30, 2022	<u>-</u>	<u>37,458,328</u>	<u>8,399,565</u>	<u>288,525</u>	<u>-</u>	<u>46,146,418</u>
Total	<u>\$ 5,308,503</u>	<u>\$ 101,490,275</u>	<u>\$ 2,317,037</u>	<u>\$ 543,489</u>	<u>\$ -</u>	<u>\$ 109,659,304</u>

Depreciation and amortization expense of \$4,198,091 for the year ended June 30, 2022 was charged to the following governmental functions:

Regular Education	\$ 618,005
Special Education	20,994
Other Educational Programs	200,816
Pupil Support Services	1,749
General Administrative Services	2,122
Business and Central Services	138,924
Plant Operation and Maintenance	3,109,068
Student Transportation	84,025
Food Service	22,388
	<u>\$ 4,198,091</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. Long-term Debt

The following is a summary of the changes in general long-term debt and compensated absences for the year ended June 30, 2022:

	Balance June 30, 2021 (Restated)	Additions	Deletions	Balance June 30, 2022	Amount Due Within One Year
General Obligation Bonds	\$ 56,430,000	\$ 9,295,000	\$15,240,000	\$ 50,485,000	\$6,455,000
Premium on Bonds	1,909,818	192,430	312,155	1,790,093	297,067
QSCB	5,720,000	-	-	5,720,000	-
Lease liability	832,014	-	284,594	547,420	283,235
Compensated absences	<u>4,559,370</u>	<u>696,180</u>	<u>645,222</u>	<u>4,610,328</u>	<u>42,679</u>
Total	<u>\$ 69,451,202</u>	<u>\$ 10,183,610</u>	<u>\$ 16,481,971</u>	<u>\$ 63,152,841</u>	<u>\$ 7,077,981</u>

A schedule of the individual issues outstanding as of June 30, 2022 is as follows:

Bond Issue	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
Series 2013 ¹	March 26, 2013	2.25 - 4.00%	March 1, 2033	\$ 1,336,528	\$ 7,115,000
Series 2013A ²	December 11, 2013	2.40%	March 1, 2024	38,280	1,060,000
Series 2015 ¹	June 16, 2015	2.00 - 4.00%	March 1, 2026	332,450	3,845,000
Series 2016 ¹	May 4, 2016	2.00 - 5.00%	March 1, 2027	811,150	7,670,000
Series 2017 ¹	July 6, 2017	1.50 - 4.00%	March 1, 2028	1,075,450	6,555,000
Series 2019 ¹	December 3, 2019	3.00%	March 1, 2029	900,750	6,425,000
Series 2019A ¹	December 3, 2019	1.97 - 2.95%	March 1, 2030	1,230,982	8,585,000
Series 2021A ¹	July 21, 2021	2.00 - 2.15%	March 1, 2031	<u>1,092,550</u>	<u>9,230,000</u>
		Total General Obligation Bonds		<u>6,818,140</u>	<u>50,485,000</u>
QSCB ¹	December 15, 2009	3.00 - 3.00%	September 15, 2024	<u>386,100</u>	<u>5,720,000</u>
				<u>\$ 7,204,240</u>	<u>\$ 56,205,000</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. **Long-term Debt** (continued)

All principal and interest requirements are funded by an ad valorem tax levy on taxable property within the parish. The School Board accumulates the tax proceeds in the Debt Service Fund. At June 30, 2022, the School Board has accumulated \$8,494,083 in debt service fund for future debt service requirements.

¹These bonds were offered for public sale that are subject to the following events of default, termination events, and acceleration clauses:

- *Events of default with finance-related consequences* – These bonds will be in default for failure of payment of principal and interest when due, non-performance or observance of covenants, agreements, or conditions in Bond Resolution or supplemental resolution continuing for more than 45 days after written notice of non-performance or observance, and filing petition or seeking relief under Federal or State bankruptcy law. The School Board has the authority to assess and collect property taxes that will be used to repay this debt.
- *Termination events with finance related consequences* – Events that will result in finance related consequences include bonds being callable early and insufficient taxes levied and collected to meet debt service requirements on all bonds outstanding.
- *Subjective acceleration clauses* – The School Board may refund early with refunding certificates or bonds, and the School Board may defease bonds.

²This bond is a direct placement bond that is subject to the following events of default, termination events, and acceleration clauses:

- *Events of default with finance-related consequences* – These bonds will be in default for failure of payment of principal and interest when due. The School Board has the authority to assess and collect property taxes that will be used to repay this debt.
- *Termination events with finance related consequences* – Events that will result in finance related consequences include bonds being callable early. The School Board is obligated to annually budget a sufficient amount to pay principal and interest to meet annual debt service requirements.
- *Subjective acceleration clauses* – The School Board may refund early with refunding certificates or bonds, and the School Board may defease bonds.

On May 5, 2015, the School Board issued \$9,090,000 of General Obligation School Refunding Bonds, Series 2015 for the purpose of the current refunding of \$5,355,000 of the Series 2005 bonds and the advance refunding of \$4,135,000 of the Series 2006 bonds. Interest rates on the Series 2015 ranged from 2.0-4.0% whereas interest rates on the Series 2005 bonds ranged from 4.2-4.5% and interest rates on the Series 2006 bonds ranged from 4.1-4.3%. This decrease in interest rates resulted in an economic gain on the current refunding of \$327,632 (the difference between the present value of the Series 2005 and Series 2006 cash flows and the Series 2015 cash flows). The School Board recognized a deferred loss on refunding of \$241,725 related to these bonds.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. **Long-term Debt** (continued)

On May 4, 2016, the School Board issued \$13,675,000 of General Obligation School Refunding Bonds, Series 2016 for the purpose of the current refunding of \$355,000 of the Series 2006 bonds and the advance refunding of \$5,180,000 of the Series 2007 bonds and \$8,245,000 of the Series 2008 bonds. Interest rates on the Series 2016 ranged from 2.0-5.0% whereas interest rates on the Series 2006 bond was 4.0%, interest rates on the Series 2007 bonds ranged from 3.8-4.05% and interest rates on the Series 2008 bonds ranged from 4.0-4.50%. As a result of the refunding, the cash flow difference between the old debt service and new debt service amounted to \$332,109. The present value difference between the old debt service cash flows and new debt service cash flows amounted to an economic gain of \$210,932 (the difference between the present value of the Series 2006 and Series 2007 and the Series 2016 cash flows). The School Board recognized a deferred loss on refunding of \$765,645 related to these bonds.

On July 6, 2017, the School Board issued \$8,815,000 of General Obligation School Refunding Bonds, Series 2017 for the purpose of the advance refunding of \$9,140,000 of the Series 2009 bonds. Interest rates on the Series 2017 ranged from 1.5-4.0% whereas interest rates on the Series 2009 bond was 3.25-7.0%. As a result of the refunding, the cash flow difference between the old debt service and new debt service amounted to \$653,954. The present value difference between the old debt service cash flows and new debt service cash flows amounted to an economic gain of \$562,829 (the difference between the present value of the Series 2009 and the Series 2017 cash flows). The School Board recognized a deferred loss on refunding of \$607,222 related to these bonds.

On December 3, 2019, the School Board issued \$7,840,000 of General Obligation School Refunding Bonds, Series 2019 for the purpose of the advanced refunding of \$8,065,000 of the Series 2010 bonds. Interest rate on the Series 2019 was 5.0% whereas interest rates on the Series 2010 bond was 2.0-4.0%. As a result of the refunding, the cash flow difference between the old debt service and new debt service amounted to \$1,494,615. The present value difference between the old debt service cash flows and new debt service cash flows amounted to an economic gain of \$1,387,981 (the difference between the present value of the Series 2010 and the Series 2019 cash flows). The School Board recognized a deferred loss on refunding of \$129,723 related to these bonds.

On December 3, 2019, the School Board issued \$8,890,000 of General Obligation School Refunding Bonds, Series 2019A for the purpose of the advanced refunding of \$8,370,000 of the Series 2011. Interest rates on the Series 2019A bonds ranged from 5.0% whereas interest rates on the Series 2011 bonds were 4.0-7.0%. As a result of the refunding, the cash flow difference between the old debt service and new debt service amounted to \$2,637,642. The present value difference between the old debt service cash flows and new debt service cash flows amounted to an economic gain of \$2,530,366 (the difference between the present value of the Series 2011 and the Series 2019A cash flows). The School Board recognized a deferred loss on refunding of \$355,807 related to these bonds.

On July 21, 2021, the School Board issued \$9,295,000 of General Obligation School Refunding Bonds, Series 2021A for the purpose of the advanced refunding of \$9,000,000 of the Series 2012. Interest rates on the Series 2021A bonds ranged from 2.0% – 2.15% whereas interest rates on the Series 2012 bonds were 2.0-4.0%. As a result of the refunding, the cash flow difference between the old debt service and new debt service amounted to \$1,072,920. The present value difference between the old debt service cash flows and new debt service cash flows amounted to an economic gain of \$1,014,276 (the difference between the present value of the Series 2012 and the Series 2021A cash flows). The School Board recognized a deferred loss on refunding of \$255,301 related to these bonds.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. **Long-term Debt** (continued)

As of June 30, 2022, \$258,210 of the deferred amount on refunding was amortized, resulting in a deferred amount on refunding of \$919,838 on the statement of net position as of June 30, 2022.

The principal and interest payments for the general obligation bonds and QSCB including the bond premiums are due as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2023	\$ 6,455,000	\$ 1,656,575	\$ 8,111,575
2024	6,680,000	1,437,055	8,117,055
2025	12,575,000	1,139,205	13,714,205
2026	6,370,000	897,820	7,267,820
2027	6,055,000	720,260	6,775,260
2028-2032	17,285,000	1,329,775	18,614,775
2033	<u>785,000</u>	<u>23,550</u>	<u>808,550</u>
Total	<u>\$ 56,205,000</u>	<u>\$ 7,204,240</u>	<u>\$ 63,409,240</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50 percent of the total assessed value of taxable property. At June 30, 2022, the total assessed value of taxable property for the school district was \$264,852,475, which would result in a \$132,426,238 long-term bonded debt limit.

Defeasance of Debt

The School Board defeased the Series 2012 general obligation bonds, by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. During the year ended June 30, 2022, \$9,000,000 of the Series 2012 defeased bonds were redeemed in accordance with the refunding.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans**

The Zachary Community School Board is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:
8401 United Plaza Blvd.
P. O. Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446
www.trsl.org

LSERS:
8660 United Plaza Blvd.
Baton Rouge, LA 70804
(225) 925-6484
www.lasers.net

LASERS
8401 United Plaza Blvd.
P. O. Box 44213
Baton Rouge, Louisiana 70804-4213
(225) 925-0185
www.lasersonline.org

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:761.

Louisiana State Employees' Retirement System (LASERS) administers a cost-sharing defined benefit pension plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1141.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Final average salary	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹
Years of service required and/or age eligible for benefits	30 years any age ⁵ 25 years age 55 20 years any age ² 5 years age 60 5 years age 62 ⁷	30 years any age 25 years age 55 20 years any age ² 5-10 years age 60 ⁶ 5 years age 62 ⁷	30 years any age 25 years age 55 20 years any age ² 5-10 years age 60 ⁶ 5 years age 62 ⁷
Benefit percent per years of service	2% to 3.0% ⁴	2.5% to 3.33% ⁴	2.5% to 3.5% ³

¹ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

² With actuarial reduced benefits

³ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

⁴ Benefit percent varies depending on when hired

⁵ For school food service workers, hired on or before 6-30-15, 30 years at age 55

⁶ Five to ten years of creditable service at age 60 depending upon the plan or when hired

⁷ Hired on or after 7/1/15, age eligibility is 5 years at age 62

Cost of Living Adjustments

The pension plans in which the School Board participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to these systems, (TRSL LSERS, and LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to funded status and interest earnings.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are considered special funding situations.

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2022, for the School Board and covered employees were as follows:

	School Board	Employees
Teachers' Retirement System:		
Regular Plan	25.20%	8.00%
School Employees' Retirement System	28.70%	7.50%- 8.00%
State Employees' Retirement System	39.50%	7.50% - 8.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	2022	2021	2020
Teachers' Retirement System:			
Regular Plan	\$ 7,308,742	\$ 7,274,804	\$ 6,871,485
School Employees' Retirement System	356,801	330,190	309,561
State Employees' Retirement System	26,401	26,201	26,186

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2021 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2022 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2022 along with the change compared to the June 30, 2021 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2022	Rate at June 30, 2022	Increase (Decrease) to June 30, 2022 Rate
Teachers' Retirement System	\$ 32,049,926	0.6003%	0.0060%
School Employees' Retirement System	1,921,431	0.4042%	0.0287%
State Employees' Retirement System	174,036	0.0032%	0.0001%
	<u>\$ 34,145,393</u>		

The following schedule list each pension plan's recognized pension expense to the School Board for the year ended June 30, 2022:

	<u>Total</u>
Teachers' Retirement System	\$ 47,622
School Employees' Retirement System	219,548
State Employees' Retirement System	<u>9,133</u>
	<u>\$ 276,303</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

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

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

Deferred Outflows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Changes of assumptions	\$ 3,119,818	\$ 63,311	\$ 4,263	\$ 3,187,392
Difference between expected and actual experience	163,693	41,560	172	205,425
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion	1,609,724	133,278	1,672	1,744,674
Employer contributions subsequent to the measurement date	7,308,742	356,801	26,401	7,691,944
Total	<u>\$ 12,201,977</u>	<u>\$ 594,950</u>	<u>\$ 32,508</u>	<u>\$ 12,829,435</u>

Deferred Inflows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ (484,614)	\$ (27,919)	\$ -	\$ (512,533)
Net difference between projected and actual earnings on pension plan investments	(21,634,627)	(741,042)	(40,586)	(22,416,255)
Changes in proportion	(752,130)	-	-	(752,130)
Differences between contributions and proportionate share of contributions	(908,080)	(26,784)	(389)	(935,253)
Total	<u>\$ (23,779,451)</u>	<u>\$ (795,745)</u>	<u>\$ (40,975)</u>	<u>\$ (24,616,171)</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

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

The School Board reported a total of \$7,691,944 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2022. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Teachers' Retirement System	\$ 7,308,742
School Employees' Retirement System (LSERS)	356,801
State Employees' Retirement System (LASERS)	26,401
	\$ 7,691,944

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	TRSL	LSERS	LASERS	Total
2023	\$ (4,398,644)	\$ (62,573)	\$ (1,326)	\$ (4,462,543)
2024	(3,794,738)	(29,622)	(6,254)	(3,830,614)
2025	(4,223,483)	(176,158)	(9,221)	(4,408,862)
2026	(6,469,351)	(289,243)	(18,067)	(6,776,661)
	\$ (18,886,216)	\$ (557,596)	\$ (34,868)	\$ (19,478,680)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan are as follows:

	TRSL	LSERS	LASERS
Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	2 years
Investment Rate of Return	7.4% net of investment expenses (decreased from 7.45% in 2020)	6.90% net of plan investment expenses, including inflation (7.00% in 2020)	7.40% net of investment expenses (decreased from 7.55% in 2020)
Inflation Rate	2.3% per annum	2.5% per annum	2.3% per annum
Mortality	<p>Mortality rates were projected based on:</p> <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>Mortality rates were based on an experience study performed in 2018 based on a plan data from July 1, 2012 through June 30, 2017.</p> <p>RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Tables RP-2014 Sex Distinct Disabled Tables</p>	<p>Mortality rates were revised based on the 2014-2018 experience study as follows:</p> <p>General Active Members - RP-2014 White Collar Employee tables, adjusted by 1.144 for males and by 0.978 for females.</p> <p>Public Safety Active Employees - RP-2014 Blue Collar Employee tables, adjusted by 1.005 for males and by 1.129 for females.</p> <p>General Retiree/Inactive Members - RP-2014 Blue Collar Annuitant tables, adjusted by 1.280 for males and RP-2014 White Collar Annuitant tables, adjusted by 1.417 for females.</p> <p>Public Safety Retiree/Inactive Employees - RP-2014 Blue Collar Annuitant tables, adjusted by 1.185 for males and 1.017 for females.</p> <p>Disability Retiree - RP-2000 Disability Retiree tables, adjusted by 1.009 for males and by 1.043 for females.</p>
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (July 1, 2012 - June 30, 2017) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

Actuarial Assumptions (continued)

	TRSL	LSERS	LASERS																		
Salary Increases	3.1% - 4.6% varies depending on duration of service	Salary increases, including inflation and merit increases: 3.25%	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: center; border-bottom: 1px solid black;">Member Type</th> <th style="width: 30%; text-align: center; border-bottom: 1px solid black;">Lower Range</th> <th style="width: 40%; text-align: center; border-bottom: 1px solid black;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
Member Type	Lower Range	Upper Range																			
Regular	3.0%	12.8%																			
Judges	2.6%	5.1%																			
Corrections	3.6%	13.8%																			
Hazardous Duty	3.6%	13.8%																			
Wildlife	3.6%	13.8%																			
Cost of Living Adjustments	None.	Not substantively automatic. 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 value and accrued liabilities include future COLA, though not yet authorized by the legislature by including the recognition of the existing balance in the Experience Account together with the present value of future contributions to the account up to the maximum permissible value of the account based upon current amount limitations.	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 projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

TRSL	LSERS	LASERS
<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 of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.87% for 2021.</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, of 2.10%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 8.17%.</p>	<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 adjusting for expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 7.61% for 2021.</p>

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2022:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	1.00%	-	-	-0.29%
Domestic equity	27.00%	-	31.00%	4.21%	-	4.09%
International equity	19.00%	-	23.00%	5.23%	-	5.12%
Equity	-	39.00%	-	-	2.84%	-
Domestic fixed income	13.00%	-	3.00%	0.44%	-	0.49%
International fixed income	5.50%	-	18.00%	0.56%	-	3.94%
Global Multi-Sector	-	-	-	-	-	-
Emerging Market Debt	-	-	-	-	-	-
Fixed income	-	26.00%	-	-	0.76%	-
Alternatives	-	23.00%	24.00%	-	1.87%	6.93%
Alternative - private equity	25.50%	-	-	8.48%	-	-
Alternative - other equity	10.00%	-	-	4.27%	-	-
Real estate	-	12.00%	-	-	0.60%	-
Real assets	-	-	-	-	-	-
Absolute Return	-	-	-	-	-	-
Risk Parity	-	-	-	-	-	-
Total	100%	100%	100%			

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **Defined Benefit Pension Plans** (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.40%, 6.90% and 7.40%, respectively for the year ended June 30, 2022. The discount rates for TRSL, LSERS and LASERS decreased by 0.05%, 0.10% and 0.15%, respectively, since the prior measurement date.

Sensitivity of the Employer'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 Retirement System as well as what the School Board's proportionate share of the NPL 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 used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.40%	7.40%	8.40%
Share of NPL	\$ 53,039,378	\$ 32,049,926	\$ 14,395,590
LSERS			
Rates	5.90%	6.90%	7.90%
Share of NPL	\$ 2,959,104	\$ 1,921,431	\$ 1,034,444
LASERS			
Rates	6.40%	7.40%	8.40%
Share of NPL	\$ 235,805	\$ 174,036	\$ 121,478

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2022 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30, 2022 is as follows:

TRSL	\$ 1,736,232
LSERS	29,165
LASERS	13,235
	<u>\$ 1,778,632</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. **Postemployment Health Care and Life Insurance Benefits**

General Information about the OPEB Plan

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

Benefits Provided – Medical benefits are provided to employees upon actual retirement. Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees who first become a member of the retirement system on and after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to receive an unreduced retirement benefit.

Life insurance coverage in varying amounts are provided to retirees based on rates which are blended in broad age categories. The employer pays 100% of the cost of the retiree life insurance based on those rates.

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

Inactive employees or beneficiaries currently receiving benefit payments	141
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>480</u>
	<u>621</u>

Participation – Employees who receive active benefits are assumed to also receive retiree benefits. It is also assumed that the same percentage of employees with spouse coverage would also have spouse coverage as retirees. It is also assumed that 10% of future retirees will decline coverage.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. **Postemployment Health Care and Life Insurance Benefits** (continued)

Total OPEB Liability

The School Board's total OPEB liability of \$43,668,281 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Prior Discount rate	2.16% annually
Discount rate	3.54% annually
Healthcare cost trend rates	5.5% annually for ten years. 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index at the end of the applicable measurement period.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$ 75,429,935
Changes for the year:	
Service cost	2,097,987
Interest	1,614,939
Differences between expected and actual experience	(26,546,508)
Changes in assumptions	(7,599,592)
Benefit payments	(1,328,480)
Net changes	<u>(31,761,654)</u>
Balance at June 30, 2022	<u>\$ 43,668,281</u>

The amount of total OPEB liability estimated to be due and payable within one year is \$1,361,692.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. **Postemployment Health Care and Life Insurance Benefits** (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1.0% Decrease (2.54%)	Current Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB liability	\$ 52,775,445	\$ 43,668,282	\$ 36,638,725

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 37,522,972	\$ 43,668,282	\$ 51,702,173

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 expense of \$1,919,372. 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	\$ 4,197,942	\$ (24,676,653)
Changes in assumptions	11,765,070	(7,815,722)
Total	\$ 15,963,012	\$ (32,492,375)

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

	Years ending June 30:
2023	\$ (1,793,554)
2024	(1,793,554)
2025	(1,793,554)
2026	(5,045,800)
2027	(5,759,666)
Thereafter	(343,235)
Total	\$ (16,529,363)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

10. Litigation and Claims

Litigation: The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School Board's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board.

Grant Disallowances: The School Board participates in a number of state and federally assisted grant programs. The programs are subject to audits under the single audit approach as well as audits conducted by the Louisiana and U.S. Department of Education. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

11. Receivables

Receivables as of June 30, 2022 for the School Board were as follows:

	General Fund	Debt Service Fund	ESSERF Fund	Non-major Governmental Funds	Total
Sales taxes	\$1,859,262	\$ -	\$ -	\$ -	\$ 1,859,262
Due from other governments	150,000	-	1,206,139	928,290	2,284,429
Other	56,780	13,463	-	-	70,243
Gross Receivables	<u>\$2,066,042</u>	<u>\$ 13,463</u>	<u>\$ 1,206,139</u>	<u>\$ 928,290</u>	<u>\$ 4,213,934</u>

At June 30, 2022, all accounts were considered collectible; therefore, no allowance for uncollectible accounts has been established.

12. Disaggregation of Accounts Payable and Accrued Liabilities

Accounts, salaries and other payables as of June 30, 2022, were as follows:

Vendors	\$ 326,920
Salaries and benefits	4,382,386
Unearned revenues – School Food Service	<u>75,699</u>
Total governmental funds	<u>\$ 4,785,005</u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

13. **Leases**

The School Board leases various land and equipment used for a variety of purposes and uses including athletics, copiers, and vehicles. These leases range in terms from 3 to 5 years, with various renewal options available, and payment terms vary in both frequency and amounts. In accordance with GASB Statement No. 87, *Leases*, a liability has been recorded for the present value of lease payments over the lease term for each agreement. As of June 30, 2022, the combined value of the lease liabilities was \$547,420. In determining the present values, discount rates of 4.99% to 5.95% were applied, depending on the duration of the lease agreement and other factors. The recorded value of the right-to-use assets as of the end of the current fiscal year was \$832,014 and accumulated amortization of these assets were \$288,525. The future principal and interest lease payments as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 283,235	\$ 21,060	\$ 304,295
2024	264,185	6,517	270,702
Total	<u>\$ 547,420</u>	<u>\$ 27,577</u>	<u>\$ 574,997</u>

The lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the School Board does not make an appropriation for its continuation during any future fiscal period. However, such clauses were disregarded in determining the term of the lease for the purpose of measuring the lease assets and liabilities.

The following is a schedule of the recorded amounts and accumulated amortization of leased assets by underlying asset class:

<u>Right to use assets:</u>	<u>Recorded amount</u>	<u>Accumulated amortization</u>	<u>Net right-to-use asset</u>	<u>2022 Amortization</u>
Land	\$ 152,592	\$ 76,296	\$ 76,296	\$ 76,296
Equipment	679,422	212,229	467,193	212,229
	<u>\$ 832,014</u>	<u>\$ 288,525</u>	<u>\$ 543,489</u>	<u>\$ 288,525</u>

14. **Tax Abatement**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2022, \$3,350,104 in Zachary Community School Board ad valorem tax revenues were abated by the State of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

15. **Appropriations to Charter Schools**

State MFP funding was appropriated to Type 2 Charter Schools during the year ended June 30, 2022 as follows:

	<u>General Fund</u>
Type 2 Charter Schools	
Madison Prep	\$ 29,980
GEO Prep Mid-City	10,902
Louisiana Key Academy	79,039
Impact Charter	38,157
Advantage Charter Academy	59,961
GEO Prep Academy	29,980
GEO Next Generation High	5,451
Louisiana Virtual Charter Academy	49,059
University View Academy	<u>282,089</u>
Total	<u>\$ 584,618</u>

16. **Future Accounting Changes**

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the School Board's financial report:

The Governmental Accounting Standards Board issued GASB Statement 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The School Board will include the requirements of this standard, as applicable, in its June 30, 2023 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement is intended to improve financial reporting in relation to these types of arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022. The School Board will include the requirements of this statement, as applicable, in its June 30, 2023 financial statements. The effect of this statement or its applicability to the School Board are unknown at this time.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement is intended to streamline the accounting for these types of arrangements with those arrangements listed under GASB 87. The requirements of this statement are effective for periods beginning after June 15, 2022. The School Board will include the requirement of this statement, as applicable, in its June 30, 2023 financial statements. The effect of this statement or its applicability to the School Board are unknown at this time.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

Financial Statement reporting date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 2,097,987	\$ 1,775,212	\$ 2,144,203	\$ 2,985,555	\$ 2,926,982
Interest	1,614,939	1,512,389	1,618,868	1,560,649	1,574,668
Differences between expected and actual experience	(26,546,507)	(416,028)	6,355,664	1,428,157	(3,415,822)
Changes of assumptions	(7,599,592)	4,699,223	13,157,815	2,874,683	(2,224,094)
Benefit payments	<u>(1,328,480)</u>	<u>(1,149,495)</u>	<u>(1,042,580)</u>	<u>(908,447)</u>	<u>(1,085,828)</u>
Net change in total OPEB liability	(31,761,653)	6,421,301	22,233,970	7,940,597	(2,224,094)
Total OPEB liability - beginning	<u>75,429,935</u>	<u>69,008,634</u>	<u>46,774,664</u>	<u>38,834,067</u>	<u>41,058,161</u>
Total OPEB liability - ending	<u><u>\$ 43,668,282</u></u>	<u><u>\$ 75,429,935</u></u>	<u><u>\$ 69,008,634</u></u>	<u><u>\$ 46,774,664</u></u>	<u><u>\$ 38,834,067</u></u>
Covered payroll	\$ 27,738,739	\$ 30,110,804	\$ 28,952,696	\$ 30,864,587	\$ 29,965,618
Net OPEB liability as a percentage of covered payroll	157.43%	250.51%	238.35%	151.55%	129.60%

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

There are no assets accumulated in a trust that meet the criteria of paragraph 4 of GASB 75 for this OPEB plan.

See the accompanying notes to the required supplementary information.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY FOR THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2022(*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
TRSL						
	2022	0.6003%	\$ 32,049,926	\$ 29,257,396	109.5447%	83.85%
	2021	0.5943%	66,110,048	28,042,875	235.7463%	65.60%
	2020	0.5751%	57,078,845	27,514,798	207.4478%	68.60%
	2019	0.5834%	57,333,818	26,576,879	215.7282%	68.20%
	2018	0.6028%	61,796,162	26,250,883	235.4060%	65.60%
	2017	0.5748%	67,460,679	26,154,838	257.9281%	59.90%
	2016	0.5925%	63,704,340	27,615,971	230.6793%	62.50%
	2015	0.6255%	63,931,493	26,038,407	245.5277%	63.70%
LSERS						
	2022	0.4042%	\$ 1,921,431	\$ 1,245,902	154.2201%	82.51%
	2021	0.3755%	3,017,190	1,128,656	267.3259%	69.67%
	2020	0.3800%	2,660,270	1,113,819	235.7025%	73.49%
	2019	0.3467%	2,316,651	981,888	235.9384%	74.44%
	2018	0.3391%	2,170,101	989,185	219.3827%	75.03%
	2017	0.3193%	2,408,948	915,161	263.2267%	70.09%
	2016	0.3174%	2,012,592	976,608	206.0798%	74.49%
	2015	0.3481%	2,018,127	1,044,536	193.2080%	76.18%
LASERS						
	2022	0.0032%	\$ 174,036	\$ 66,839	260.3809%	72.78%
	2021	0.0031%	257,631	65,339	394.2990%	58.00%
	2020	0.0032%	234,373	64,339	364.2783%	62.90%
	2019	0.0035%	236,924	66,272	357.5024%	64.30%
	2018	0.0032%	223,553	70,057	319.1016%	62.50%
	2017	0.0032%	247,355	61,382	402.9764%	57.70%
	2016	0.0035%	240,433	67,652	355.3967%	62.70%
	2015	0.0037%	229,606	58,876	389.9823%	65.00%

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

(*) The amounts presented have a measurement date of the previous fiscal year end.

The three Retirement Systems reported in this schedule are as follows:

TRSL = Teachers' Retirement System of Louisiana

LSERS = Louisiana School Employees' Retirement System

LASERS = Louisiana State Employees' Retirement System

See the accompanying notes to the required supplementary information.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2022

Pension Plan	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contributions ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
TRSL						
	2022	\$ 7,308,742	\$ 7,308,742	\$ -	\$ 30,051,255	24.3209%
	2021	7,274,804	7,274,804	-	29,257,396	24.8648%
	2020	6,871,485	6,871,485	-	28,042,875	24.5035%
	2019	6,957,488	6,957,488	-	27,514,798	25.2863%
	2018	6,920,140	6,920,140	-	26,576,879	26.0382%
	2017	6,912,649	6,912,649	-	26,250,883	26.3330%
	2016	7,108,189	7,108,189	-	26,154,838	27.1773%
	2015	7,811,984	7,811,984	-	27,615,971	28.2879%
LSERS						
	2022	\$ 356,801	\$ 356,801	\$ -	\$ 1,089,283	32.7556%
	2021	330,190	330,190	-	1,245,902	26.5021%
	2020	309,561	309,561	-	1,128,656	27.4274%
	2019	276,042	276,042	-	1,113,819	24.7834%
	2018	274,823	274,823	-	981,888	27.9892%
	2017	265,024	265,024	-	989,185	26.7922%
	2016	273,963	273,963	-	915,161	29.9360%
	2015	296,706	296,706	-	976,608	30.3813%
LASERS						
	2022	\$ 26,401	\$ 26,401	\$ -	\$ 66,139	39.9174%
	2021	26,201	26,201	-	66,839	39.2002%
	2020	26,186	26,186	-	65,339	40.0771%
	2019	25,477	25,477	-	64,339	39.5981%
	2018	23,355	23,355	-	66,272	35.2411%
	2017	22,490	22,490	-	70,057	32.1024%
	2016	22,834	22,834	-	61,382	37.1998%
	2015	10,956	10,956	-	67,652	16.1946%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to Retirement Systems*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30*

The three Retirement Systems reported in this schedule are as follows:

TRSL = Teachers' Retirement System of Louisiana

LSERS = Louisiana School Employees' Retirement System

LASERS = Louisiana State Employees' Retirement System

See the accompanying notes to the required supplementary information.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

1. **Changes in Benefit Terms and Assumptions Related to Defined Pension Plans**

Changes of Benefit Terms include:

Following is a listing of changes in benefit terms, as applicable, for the three pension plans for the years presented.

Teachers Retirement System of Louisiana and Louisiana State Employees' Retirement System

2016 - Act 93 of the 2016 provides for a 1.5% permanent benefit increase on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16 for those retired on or before 6/30/15 who are at least the age of 60.

Louisiana School Employees Retirement System

2016 - Act 93 of the 2016 provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

Louisiana State Employees' Retirement System

2016 - The Harbor Police Retirement System transferred into LASERS in 2016 that resulted in a change in benefit terms.

Changes of Assumptions

The following discount rate changes were made to the pension plan as identified in the following table:

Discount Rate:

<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
TRSL		
2021	7.400%	-0.050%
2020	7.450%	-0.100%
2019	7.550%	-0.100%
2018	7.650%	-0.050%
2017	7.700%	-0.050%
2016	7.750%	-
2015	7.750%	

<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LSERS		
2021	6.900%	-0.100%
2020	7.000%	-
2019	7.000%	-0.063%
2018	7.0625%	-0.062%
2017	7.125%	0.125%
2016	7.000%	-0.250%
2015	7.250%	

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

1. **Changes in Benefit Terms and Assumptions Related to Defined Pension Plans** (continued)

Changes in Assumptions (continued)

Discount Rate:		
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LASERS		
2021	7.400%	-0.150%
2020	7.550%	-0.050%
2019	7.600%	-0.050%
2018	7.650%	-0.050%
2017	7.700%	-0.050%
2016	7.750%	-
2015	7.750%	

(*) The amounts presented have a measurement date of the previous fiscal year end.

The following inflation rate changes were made to the pension plans identified in the following table:

Inflation Rate:		
<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
LSERS		
2021	2.500%	-
2020	2.500%	-
2019	2.500%	-
2018	2.500%	-0.125%
2017	2.625%	-
2016	2.625%	-0.125%
2015	2.750%	
LASERS		
2021	2.300%	-
2020	2.300%	-0.200%
2019	2.500%	-0.250%
2018	2.750%	-
2017	2.750%	-0.250%
2016	3.000%	

There were no inflation rate changes for TRSL from 2015-2021.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

1. Changes in Benefit Terms and Assumptions Related to Defined Pension Plans (continued)

The following changes to projected salary increases were made to the pension plans identified in the following

Salary Increases:

<u>Year (*)</u>	<u>Range</u>
TRSL	
2021	No change.
2020	3.10% to 4.60%
2019	3.30% to 4.80%
2018	3.30% to 4.80%
2017	3.50% to 10.0%

<u>Year (*)</u>	<u>Range</u>
LASERS	
2021	No change.
2020	2.60% to 13.80% for various member types
2019	2.80% to 14.30% for various member types
2018	2.80% to 14.30% for various member types
2017	2.80% to 14.30% for various member types
2016	3.00% to 14.50% for various member types

Salary Increases:

<u>Year (*)</u>	<u>Range</u>
LSERS	
2021	No change.
2020	3.25%
2019	3.25%
2018	3.075% to 5.375% to 3.25%
2017	3.075% to 5.375%
2016	3.200% to 5.500%

(*) The amounts presented have a measurement date of the previous fiscal year end.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

2. **Changes in Benefit Terms and Assumptions Related to the Other Post Employment Liability**

Changes of Benefit Terms:

There were no changes in benefit terms for the year ended June 30, 2022.

Changes of Assumptions:

The following changes in the discount rate for each year are as follows:

6/30/2022	3.54%	1.380%
6/30/2021	2.160%	-0.050%
6/30/2020	2.210%	-1.290%
6/30/2019	3.500%	-0.120%
6/30/2018	3.620%	0.000%
6/30/2017	3.620%	

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 12,906,387	\$ 12,097,506	\$ 12,031,352	\$ (66,154)
Sales and use tax	11,035,000	12,035,000	12,514,594	479,594
Earnings (Loss) on investments	300,000	(1,200,000)	(2,389,387)	(1,189,387)
Extended Day Program tuition	350,000	350,000	414,185	64,185
Other	401,674	1,006,597	736,485	(270,112)
State sources:				
Unrestricted grants-in-aid, MFP	32,962,870	33,660,935	33,641,603	(19,332)
Restricted grants-in-aid	-	-	279,982	279,982
Other	99,000	103,000	104,625	1,625
Federal sources:				
Restricted grants-in-aid - direct	65,000	65,000	420,330	355,330
TOTAL REVENUES	<u>58,119,931</u>	<u>58,118,038</u>	<u>57,753,769</u>	<u>(364,269)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular education programs	24,543,001	25,398,166	25,061,806	336,360
Special education programs	5,782,337	5,785,311	5,662,345	122,966
Other education programs	3,868,095	3,866,916	3,838,852	28,064
Support services:				
Pupil support services	3,049,035	2,976,524	3,035,491	(58,967)
Instructional staff services	2,006,153	1,881,260	1,999,493	(118,233)
General administration services	1,202,814	1,252,118	1,282,426	(30,308)
School administration services	3,163,295	3,377,700	3,372,404	5,296
Business and central services	2,571,505	2,590,225	2,651,542	(61,317)
Plant operation and maintenance	6,531,172	7,527,848	7,096,836	431,012
Transportation	4,652,408	4,319,221	4,241,170	78,051
Non-Instructional services:				
Food service	115,116	117,749	122,072	(4,323)
Appropriations - charter schools	575,000	575,000	584,618	(9,618)
Facility acquisition and construction	-	-	-	-
Debt service:				
Debt principal - leases	-	-	284,594	(284,594)
Debt interest - leases	-	-	25,307	(25,307)
TOTAL EXPENDITURES	<u>58,059,931</u>	<u>59,668,038</u>	<u>59,258,956</u>	<u>409,082</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>60,000</u>	<u>(1,550,000)</u>	<u>(1,505,187)</u>	<u>44,813</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	140,000	250,000	367,500	117,500
Operating transfers out	(200,000)	(200,000)	(500,000)	(300,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(60,000)</u>	<u>50,000</u>	<u>(132,500)</u>	<u>(182,500)</u>
Net Change in Fund Balance	-	(1,500,000)	(1,637,687)	(137,687)
FUND BALANCE, JUNE 30, 2021	21,122,173	21,122,173	21,122,173	-
FUND BALANCE, JUNE 30, 2022	<u>\$ 21,122,173</u>	<u>\$ 19,622,173</u>	<u>\$ 19,484,486</u>	<u>\$ (137,687)</u>

The accompanying notes to the budgetary comparison schedule are an integral part of this statement.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
ESSER FUND
YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>REVENUES</u>				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use tax	-	-	-	-
Earnings on investments	-	-	-	-
From other LEA's Within the State	-	-	-	-
Extended Day Program tuition	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid, MFP	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Other	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	2,448,459	2,448,459	2,448,459	-
TOTAL REVENUES	<u>2,448,459</u>	<u>2,448,459</u>	<u>2,448,459</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular education programs	-	-	921,497	(921,497)
Special education programs	-	-	-	-
Other education programs	2,158,852	2,158,852	425,605	1,733,247
Support services:				
Pupil support services	-	-	81,597	(81,597)
Instructional staff services	-	-	220,662	(220,662)
General administration services	-	-	-	-
School administration services	-	-	-	-
Business and central services	-	-	-	-
Plant operation and maintenance	-	-	119,362	(119,362)
Transportation	-	-	117,603	(117,603)
Non-Instructional services:				
Food service	-	-	-	-
Appropriations - charter schools	-	-	-	-
Facility acquisition and construction	-	-	272,526	(272,526)
Debt service:				
General administration	-	-	-	-
TOTAL EXPENDITURES	<u>2,158,852</u>	<u>2,158,852</u>	<u>2,158,852</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>289,607</u>	<u>289,607</u>	<u>289,607</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in			-	-
Operating transfers out	(289,607)	(289,607)	(289,607)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(289,607)</u>	<u>(289,607)</u>	<u>(289,607)</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE, JUNE 30, 2021	-	-	-	-
FUND BALANCE, JUNE 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the budgetary comparison schedule are an integral part of this statement.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES
MAJOR FUND DESCRIPTIONS

Budgetary comparison schedules are reported for the following General and Special Revenue Funds:

GENERAL FUND

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

ESSERF FUND

Through the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, the Elementary and Secondary School Emergency Relief Fund (ESSER Fund), is federally awarded by the Department of Education to State educational agencies for the purpose of providing local educational agencies, including charter schools, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have on elementary and secondary schools across the nation.

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA), was signed into law on December 27, 2020, and provides an additional \$54.3 billion for the Elementary and Secondary School Emergency Relief Fund (ESSER II Fund). Additionally, the American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund under the American Rescue Plan (ARP) Act of 2021, Public Law 117-2, enacted on March 11, 2021.

These Federal emergency resources are available for a wide range of activities to address diverse needs arising from or exacerbated by the COVID-19 pandemic, or to emerge stronger post-pandemic, including responding to students' social, emotional, mental health, and academic needs and continuing to provide educational services as States, LEAs, and schools respond to and recover from the pandemic. Some uses of these funds may be directly focused on health and safety—such as improving ventilation and implementing prevention strategies that are, to the extent practicable, consistent with the Centers for Disease Control and Prevention (CDC) guidance. Other allowable uses may be focused on meeting the social, emotional, mental health, and academic needs of students. That could be through preventing teacher layoffs; providing accelerated learning opportunities; implementing rigorous curricula; funding additional school counselors, school nurses, and school psychologists; increasing the number of full-service community schools; conducting any activities allowed under a number of Federal education programs.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

BUDGETS

General Budget Practices. The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Encumbrances. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting. All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR FUND DESCRIPTIONS

Special Revenue Funds:

Title I

Title I includes programs primarily in the areas of reading and math. These programs strive to meet the special needs of economically and educationally deprived children through federal funding for teachers, aids, instructional materials, equipment and parental involvement.

Special Education

IDEA B (Individuals with Disabilities Educational Act - Part B) is a federally-funded program designed to assist states in providing free, appropriate education to all handicapped children from 3 to 21 years of age in the least restrictive environment.

Preschool Grant is a federally-funded program designed to provide special education and related services and to develop a statewide comprehensive delivery system for children with disabilities from birth to five years of age.

Believe and Include is a federally funded program designed to assist states in developing innovative programs that help students with disabilities achieve proficiency of the more rigorous Common Core Standards.

Title II

Title II increases student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools. The program also holds local educational agencies and schools accountable for improvements in student academic achievement.

Vocational Education (Voc Ed)

Vocational Education is a federally-funded program restricted to expenditures for salaries, supplies, and equipment to be used in vocational education programs.

State Grants

The State Grants Fund is used to account for special grants received from various departments of the State of Louisiana.

Exxon

Grants received from Exxon Mobil Corporation to be used for purchase of materials, supplies, and professional services in support of education of students.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR FUND DESCRIPTIONS

Special Revenue Funds: (continued)

TANF

Starting Points/Early Childhood Development provides full day, before and after school preschool instruction and care for at-risk four-year old students.

School Food Service

The School Food Service Fund includes lunch and breakfast and is used to account for the operations of the school food service programs in the parish School Board 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 emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's eating habits with the ultimate goal of physically fit adults.

Donations

The Donations fund is used to account for funds donated to the Zachary Community School Board by individuals or businesses to be used as deemed necessary to assist students and schools.

Extended Day Tuition

The Extended Day Fund is used to record revenue from parents for before and after care for elementary students and to record the associated expenditures.

Title IV

The Every Student Succeeds Act (ESSA) was signed into law in December 2015. It reauthorized the Elementary and Secondary Education Act of 1965 (ESEA). Newly authorized under subpart 1 of Title IV, Part A of the ESEA is the Student Support and Academic Enrichment (SSAE) program. The SSAE program is intended to improve students' academic achievement by increasing the capacity of State educational agencies (SEAs), local educational agencies (LEAs), and local communities to provide all students with access to a well-rounded education; improve school conditions for student learning; and improve the use of technology to improve the academic achievement and digital literacy of all students.

Redesign Grant

The purpose of the Redesign program is to provide school improvement funding to implement state-approved plans in identified struggling schools.

Direct Student Services (DSS)

The purpose of the DSS grant is to provide individualized academic services to improve student achievement.

School Activity

School Activity Funds were created by R.S. 17:414.3, which mandates that every public-school principal to maintain a school fund for the management of any money that accrues to benefit the school and its students. These funds account for the transactions of the student activity accounts maintained at the respective schools.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR FUND DESCRIPTIONS

Special Revenue Funds: (continued)

COVID-19 Childcare & Development Block Grant

The purpose of the COVID-19 Childcare & Development Block Grant is to provide communities with an opportunity to support the recovery of the child care sector and to ensure children continue to have access to high-quality early learning options across Louisiana. This second round of allocations for some qualifying networks is to ensure that more adversely affected networks could respond to the needs of their community.

Childcare & Development Block Grant

The purpose of the Childcare & Development Block Grant is to provide for the department to coordinate the Louisiana Early Childhood Care and Education Network by designating, through a competitive process, a Lead Agency for each community to conduct administrative functions and coordinate essential activities. The Lead Agency also serves as fiscal agent. Lead Agencies must: 1. Conduct administrative functions for the community network; 2. Coordinate CLASS observations by assuring that accurate observations are conducted for all Infant, Toddler, and PreK classrooms and that feedback is provided to all participating programs; and 3. Coordinate birth-to-age-five enrollment for publicly-funded programs and the state funding application for the Community Network.

Capital Projects Fund:

The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2022

Special Revenue Fund

	Title I	Special Education	Title II	Voc Ed	State Grants	Exxon	TANF
<u>Assets</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246	\$ -
Receivables	218,001	346,150	170,707	57,379	29,421	-	-
Prepays	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	43,811	-	-
Total assets	\$ 218,001	\$ 346,150	\$ 170,707	\$ 57,379	\$ 73,232	\$ 246	\$ -
<u>Liabilities and Fund Balance</u>							
Liabilities:							
Salaries, payroll deductions, and expenses payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	218,001	346,150	170,707	57,379	-	-	-
Total liabilities	218,001	346,150	170,707	57,379	-	-	-
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted for:							
School Food Service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	73,232	246	-
Assigned:							
Capital Construction	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	-	-	-	-	73,232	246	-
Total liabilities and fund balance	\$ 218,001	\$ 346,150	\$ 170,707	\$ 57,379	\$ 73,232	\$ 246	\$ -

(continued)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2022

Special Revenue Fund

<u>Assets</u>	School Food Service	Donations	Extended Day Tuition	Title IV	Redesign Grant	DSS
Cash and cash equivalents	\$ 88,872	\$ 7,308	\$ -	\$ -	\$ -	\$ -
Receivables	18,738	-	-	39,029	4,293	22,176
Prepays	-	-	-	-	-	-
Other assets	-	150	-	-	-	-
Inventory	68,593	-	-	-	-	-
Due from other funds	912,667	-	-	-	-	-
Total assets	\$ 1,088,870	\$ 7,458	\$ -	\$ 39,029	\$ 4,293	\$ 22,176
<u>Liabilities and Fund Balance</u>						
Liabilities:						
Salaries, payroll deductions, and expenses payable	\$ 77,264	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	39,029	4,293	22,176
Total liabilities	77,264	-	-	39,029	4,293	22,176
Fund balance:						
Nonspendable	68,593	150	-	-	-	-
Restricted for:						
School Food Service	943,013	-	-	-	-	-
Other purposes	-	7,308	-	-	-	-
Assigned:						
Capital Construction	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	1,011,606	7,458	-	-	-	-
Total liabilities and fund balance	\$ 1,088,870	\$ 7,458	\$ -	\$ 39,029	\$ 4,293	\$ 22,176

(continued)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Fund					
<u>Assets</u>	School Activity Account	COVID-19 Childcare & Development Block Grant	Childcare & Development Block Grant	Total Special Revenue Fund	Capital Projects Fund	Total Non- Major Governmenta l Funds
Cash and cash equivalents	\$ 1,794,937	\$ -	\$ -	\$ 1,891,363	\$ 1,022,864	\$ 2,914,227
Receivables	-	-	12,396	918,290	10,000	928,290
Prepays	-	-	-	-	-	-
Other assets	-	-	-	150	-	150
Inventory	-	-	-	68,593	-	68,593
Due from other funds	-	-	-	956,478	-	956,478
Total assets	\$ 1,794,937	\$ -	\$ 12,396	3,834,874	1,032,864	\$ 4,867,738
<u>Liabilities and Fund Balance</u>						
Liabilities:						
Salaries, payroll deductions, and expenses payable	\$ 30,538	\$ -	\$ -	\$ 107,802	\$ -	\$ 107,802
Due to other funds	-	-	12,396	870,131	205,767	1,075,898
Total liabilities	30,538	-	12,396	977,933	205,767	1,183,700
Fund balance:						
Nonspendable	-	-	-	68,743	-	68,743
Restricted for:						
School Food Service	-	-	-	943,013	-	943,013
Other purposes	1,764,399	-	-	1,845,185	-	1,845,185
Assigned:						
Capital Construction	-	-	-	-	827,097	827,097
Unassigned	-	-	-	-	-	-
Total fund balance	1,764,399	-	-	2,856,941	827,097	3,684,038
Total liabilities and fund balance	\$ 1,794,937	\$ -	\$ 12,396	\$ 3,834,874	\$ 1,032,864	\$ 4,867,738

(concluded)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Fund						
	Title I	Special Education	Title II	Voc Ed	State Grants	Exxon	TANF
<u>Revenues</u>							
Local sources:							
Food sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-	-
Extended day program tuition	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
State sources:							
Unrestricted grants-in-aid	-	-	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	157,108	-	433,268
Federal sources:							
Restricted grants-in-aid - subgrants	688,861	968,498	320,291	66,644	-	-	-
Commodities - United States							
Department of Agriculture	-	-	-	-	-	-	-
Total revenues	688,861	968,498	320,291	66,644	157,108	-	433,268
<u>Expenditures</u>							
Instruction:							
Regular education programs	299,870	-	214,776	-	433	-	-
Special education programs	-	353,872	-	-	-	-	-
Other education programs	333,180	55,765	-	66,644	82,061	-	433,268
Support services:							
Pupil support services	25,698	52,710	-	-	-	-	-
Instructional staff services	3,600	387,595	96,462	-	-	-	-
General administration	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Business and central services	-	6,771	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-	-	-
Transportation	-	71,016	-	-	10,626	-	-
Non-Instructional Services:							
School food service	-	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-	-	-
Total expenditures	662,348	927,729	311,238	66,644	93,120	-	433,268
Excess (deficiency) of revenues over expenditures	26,513	40,769	9,053	-	63,988	-	-
Other financing uses							
Operating transfers out	(26,513)	(40,769)	(9,053)	-	-	-	-
Operating transfers in	-	-	-	-	-	-	-
Total other sources (uses)	(26,513)	(40,769)	(9,053)	-	-	-	-
Net changes in fund balances	-	-	-	-	63,988	-	-
Fund balance at beginning of year	-	-	-	-	9,244	246	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ 73,232	\$ 246	\$ -

(continued)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Fund					
	School Food Service	Donations	Extended Day Tuition	Title IV	Redesign Grant	DSS
<u>Revenues</u>						
Local sources:						
Food sales	\$ 212,056	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	359	-	-	-	-	-
Extended day program tuition	-	-	340,234	-	-	-
Student activities	-	-	-	-	-	-
Other	-	-	-	-	-	-
State sources:						
Unrestricted grants-in-aid	30,162	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-	-
Federal sources:						
Restricted grants-in-aid - subgrants	2,797,948	-	-	41,779	18,610	36,832
Commodities - United States						
Department of Agriculture	194,737	-	-	-	-	-
Total revenues	<u>3,235,262</u>	<u>-</u>	<u>340,234</u>	<u>41,779</u>	<u>18,610</u>	<u>36,832</u>
<u>Expenditures</u>						
Instruction:						
Regular education programs	-	-	-	-	-	-
Special education programs	-	-	-	-	-	-
Other education programs	-	-	340,234	39,029	4,293	35,274
Support services:						
Pupil support services	-	-	-	-	-	-
Instructional staff services	-	-	-	2,750	-	-
General administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Business and central services	-	-	-	-	14,317	-
Plant operation and maintenance	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Non-Instructional Services:						
School food service	2,496,098	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-	-
Total expenditures	<u>2,496,098</u>	<u>-</u>	<u>340,234</u>	<u>41,779</u>	<u>18,610</u>	<u>35,274</u>
Excess (deficiency) of revenues over expenditures	<u>739,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,558</u>
Other financing uses						
Operating transfers out	-	-	-	-	-	(1,558)
Operating transfers in	-	-	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,558)</u>
Net changes in fund balances	739,164	-	-	-	-	-
Fund balance at beginning of year	272,442	7,458	-	-	-	-
Fund balance at end of year	<u>\$ 1,011,606</u>	<u>\$ 7,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Fund					Capital Projects Fund	Total Non-Major Governmental Funds
	School Activity Account	COVID-19 Childcare & Development Block Grant	Childcare & Development Block Grant	Total Special Revenue Fund			
<u>Revenues</u>							
Local sources:							
Food sales	\$ -	\$ -	\$ -	\$ 212,056	\$ -	\$ 212,056	
Earnings on investments	-	-	-	359	-	359	
Extended day program tuition	-	-	-	340,234	-	340,234	
Student activities	3,389,510	-	-	3,389,510	-	3,389,510	
Other	-	-	-	-	105,909	105,909	
State sources:							
Unrestricted grants-in-aid	-	-	-	30,162	-	30,162	
Restricted grants-in-aid	-	-	-	590,376	-	590,376	
Federal sources:							
Restricted grants-in-aid - subgrants	-	100,000	13,993	5,053,456	-	5,053,456	
Commodities - United States							
Department of Agriculture	-	-	-	194,737	-	194,737	
Total revenues	3,389,510	100,000	13,993	9,810,890	105,909	9,916,799	
<u>Expenditures</u>							
Instruction:							
Regular education programs	-	-	-	515,079	-	515,079	
Special education programs	-	-	-	353,872	-	353,872	
Other education programs	3,356,466	100,000	13,993	4,860,207	-	4,860,207	
Support services:							
Pupil support services	-	-	-	78,408	-	78,408	
Instructional staff services	-	-	-	490,407	-	490,407	
General administration	-	-	-	-	-	-	
School administration	-	-	-	-	-	-	
Business and central services	-	-	-	21,088	-	21,088	
Plant operation and maintenance	-	-	-	-	-	-	
Transportation	-	-	-	81,642	-	81,642	
Non-Instructional Services:							
School food service	-	-	-	2,496,098	-	2,496,098	
Facility acquisition and construction	-	-	-	-	90,222	90,222	
Total expenditures	3,356,466	100,000	13,993	8,896,801	90,222	8,987,023	
Excess (deficiency) of revenues over expenditures	33,044	-	-	914,089	15,687	929,776	
Other financing uses							
Operating transfers out	-	-	-	(77,893)	-	(77,893)	
Operating transfers in	-	-	-	-	500,000	500,000	
Total other sources (uses)	-	-	-	(77,893)	500,000	422,107	
Net changes in fund balances	33,044	-	-	836,196	515,687	1,351,883	
Fund balance at beginning of year	1,731,355	-	-	2,020,745	311,410	2,332,155	
Fund balance at end of year	\$ 1,764,399	\$ -	\$ -	\$ 2,856,941	\$ 827,097	\$ 3,684,038	

(concluded)

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SCHEDULE OF BOARD MEMBERS' COMPENSATION

FOR THE YEAR ENDED JUNE 30, 2022

David Dayton	\$	6,000
Brandy Westmoreland		6,000
Kenneth Mackie		6,000
Marty Hughes		6,000
Elizabeth ' Beth" Kimmell		6,000
Hubert Owen		6,000
Elecia Lathon		6,000
Donna Ann Watkins		6,000
Gaynell Young		<u>6,000</u>
Total	\$	<u><u>54,000</u></u>

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE SUPERINTENDENT

Superintendent: Vernon Scott Devillier

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 193,589
Benefits:	
Group Insurance	10,806
Retirement – Employer Portion	52,331
Medicare – Employer Portion	3,061
Life Insurance – Employer Portion	1,091
Workers Compensation	733
Car Allowance	9,600
Incentive Pay	12,000
	<u>\$ 283,211</u>

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

Zachary Community School Board
Zachary, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Zachary Community 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 December 22, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite + Netterville

Baton Rouge, Louisiana
December 22, 2022

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

Board Members
Zachary Community School Board
Zachary, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Zachary Community 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 auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Zachary Community 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Zachary Community School Board and to meet our other 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 the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Board's federal programs.

Auditors' 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 the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 the 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 East Baton Rouge Parish School System'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 relevant to the audit in order to 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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

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

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 22, 2022

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Grantor Project Number</u>	<u>Assistance Listing Number</u>	<u>Expenditures 2022</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Passed through Louisiana Department of			
Agriculture and Forestry - Food Distribution	LDE/103-63	10.555 ¹	\$ 194,737
Passed through Louisiana Department of Education:			
National School Lunch Program	LDE/103-63	10.555 ¹	2,124,765
National School Breakfast Program	LDE/103-63	10.553 ¹	673,183
Subtotal			<u>2,992,685</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Passed through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	28-21-T1-67	84.010A	688,861
Direct Student Services	28-21-DSS-67	84.010A	36,832
Redesign 1003a	28-21-RD19-67	84.010A	18,610
			<u>744,303</u>
Special Education, IDEA	28-21-B1-67	84.027A ²	956,183
IDEA - Preschool	28-21-P1-67	84.173A ²	12,315
Vocational Education (Carl Perkins)	28-21-02-67	84.048A	66,644
Title II - Part A, Teacher & Principal Training & Recruiting	28-21-50-67	84.367A	320,291
Title IV - Student Support and Academic Enrichment	28-21-71-67	84.424A	41,779
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	28-20-ESRF-67	84.425D	7,469
COVID-19 ESSERF II Formula	28-21-ES2F-67	84.425D	692,387
COVID-19 ESSERF III Formula	28-21-ES3F-67	84.425U	1,142,719
COVID-19 ESSERF III Incentive	28-20-ES3I-67	84.425U	39,900
COVID-19 ESSER III EB Interventions	28-21-ESEB-67	84.425U	559,093
Homeless ARP	28-22-HARP-67	84.425W	6,891
			<u>2,448,459</u>
Subtotal			<u>4,589,974</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Louisiana Department of Education:			
Child Care and Development Fund (CCDF)			
COVID-19 Community Childcare Recovery - CCDF	28-21-CCCR-67	93.575 ³	100,000
Early Childhood Network Lead Agencies - CCDF	28-21-CO-67	93.575 ³	13,993
			<u>113,993</u>
<u>UNITED STATES DEPARTMENT OF DEFENSE</u>			
ROTC - Navy Junior Reserve Officers Training Program - (Direct Funding)	n/a	12.U01	<u>42,382</u>
<u>FEDERAL COMMUNICATIONS COMMISSION</u>			
American Rescue Plan Act of 2021 - Emergency Connectivity Fund (Direct Funding)	n/a	32.009	<u>377,948</u>
Total Expenditures			<u>\$ 8,116,982</u>

¹ Child nutrition cluster = \$2,992,685

² Special education cluster (IDEA) = \$968,498

³ CCDF Cluster = \$113,993

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Zachary Community School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE B – NONMONETARY ASSISTANCE

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The School Board received \$194,737 of commodities during the year ended June 30, 2022. At June 30, 2022, the School Board had food commodities totaling \$68,593 in inventory.

NOTE C – RECONCILIATION TO FINANCIAL STATEMENTS

Total Federal Award Expenditures per schedule	\$ <u>8,116,982</u>
Total federal revenue per the Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended June 30, 2022 are reported in the revenue accounts as follows:	
General Fund – Restricted grants-in-aid-direct	\$ 420,330
Other Governmental Funds:	
Restricted grants-in-aid-sub grants	7,501,915
Commodities	<u>194,737</u>
	\$ <u>8,116,982</u>

NOTE D – DE MINIMUS COST RATE

During the year ended June 30, 2022, the School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

NOTE E – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

During the year ended June 30, 2022, the School Board did not pass through any federal funding to subrecipients.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? _____yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? x yes _____ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? x yes _____ no

Identification of major programs:

Assistance Listing Name of Federal Program or Cluster

Title I:

84.010A Title I – Grants to Local Educational Agencies
84.010A Direct Student Services
84.010A Redesign 1003a

Education Stabilization Fund (ESF)

84.425D COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425D COVID-19 ESSERF II Formula
84.425U COVID-19 ESSERF III Formula
84.425U COVID-19 ESSERF III Incentive
84.425U COVID-19 ESSER III EB Interventions
84.425W Homeless ARP

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

- Zachary Community School Board was determined to be a low-risk auditee.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2022-001 Special Tests and Provisions–Wage Rate Requirements

Questioned Costs: \$115,307

U.S. DEPARTMENT OF EDUCATION
passed through the Louisiana Department of Education

Education Stabilization Fund (ESF)

84.425D COVID-19 ESSERF II Formula

Criteria:

Per Office of Management and Budget (OMB) Compliance Supplement, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL), if required in the federal grant. Nonfederal entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act) a provision that the contractor or subcontractor comply with those requirements and the DOL regulations (29 CFR Part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

Condition:

Management did not have a process in place to identify that Wage Rate Requirements applied to construction costs paid with ESF funds. For the four construction projects tested, there was no evidence that the contractors and subcontractors were notified that these were subject to federal Wage Rate Requirements. Therefore, certified payrolls were not obtained.

Universe/population:

Population of construction projects financed by ESF funds includes 4 contracts for a total of \$115,307 of labor costs.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
(continued)**

U.S. DEPARTMENT OF EDUCATION (continued)

2022-001 Special Tests and Provisions–Wage Rate Requirements (continued)

Effect: Without obtaining required documentation for construction projects relating to wage-rate requirements, the School Board is at risk for non-compliance and potential loss of ESF grant funding.

Cause: The School Board does not have a policy in place to notify contractors and subcontractors, paid with federal funding, of the requirements to comply with the Wage Rate Requirements nor obtain copies of certified payrolls. The construction costs were originally paid for by the General Fund and then the School Board received approval from the granting authority to be reimbursed by the ESF fund for these costs.

Recommendation: The School Board should notify contractors when using federal dollars for construction projects and should obtain weekly certified payrolls for the construction period, when required by the federal grant award. The School Board should put in place safeguards and controls to ensure compliance with federal wage rate requirements when applicable.

Views of Responsible Officials: Management will update their policies and procedures to ensure compliance with construction projects relating to wage rate requirements.

ZACHARY COMMUNITY SCHOOL BOARD
ZACHARY, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

EXHIBIT F

Page 1 of 3

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

To the Members of the
Zachary Community School Board,
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the Zachary Community School Board (School Board) for the fiscal year ended June 30, 2022; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School Board 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 the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. 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 this 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 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures
 - Total General Fund Equipment Expenditures
 - Total Local Taxation Revenue
 - Total Local Earnings on Investment in Real Property
 - Total State Revenue in Lieu of Taxes
 - Nonpublic Textbook Revenue
 - Nonpublic Transportation Revenue

No exceptions 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 1 roll books for those classes and observed that the class was properly classified on the schedule.

Of the 10 classes selected, we noted the following differences in 2 classes between the roll book counts and the number reported in Schedule 2:

Number of Students Reported	Roll Book Counts	Difference
31	33	2
34	28	6

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 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 was properly classified on the PEP data (or equivalent listing prepared by management).

For 3 out of 25 employees tested, the number of years of experience submitted in the PEP data file to the LDOE did not agree to supporting documentation in the employee’s personnel file.

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).

For 1 out of 25 employees tested, the employee was not included in the PEP data file submitted to the LDOE.

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.

This report is intended 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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 22, 2022

ZACHARY COMMUNITY SCHOOL BOARD

BATON ROUGE, LOUISIANA

Schedules Required by State Law (R.S. 24:514 - Performance Measurement 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 (Formerly Schedule 6) Class Size Characteristics

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

ZACHARY COMMUNITY SCHOOL BOARD
Zachary, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2022**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 22,104,131	
Other Instructional Staff Activities	67,857	
Instructional Staff Employee Benefits	11,021,121	
Purchased Professional and Technical Services	1,017,337	
Instructional Materials and Supplies	862,693	
Instructional Equipment	74,600	
Total Teacher and Student Interaction Activities		35,147,739
Other Instructional Activities		-
Pupil Support Services	3,035,172	
Less: Equipment for Pupil Support Services	5,275	
Net Pupil Support Services		3,029,897
Instructional Staff Services	1,995,694	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,995,694
School Administration	3,372,402	
Less: Equipment for School Administration	-	
Net School Administration		3,372,402
Total General Fund Instructional Expenditures (Total of Column B)		43,545,732
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)	\$	416,889

Certain Local Revenue Sources

Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 1,337,924	
Renewable Ad Valorem Tax	10,221,742	
Debt Service Ad Valorem Tax	6,420,886	
Penalty and Interest on Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	457,476	
Sales and Use Taxes	12,485,072	
Sales and Use Tax Penalty and Interest	-	
Total Local Taxation Revenue		30,923,100
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property		-
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		104,455
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		104,455
Nonpublic Textbook Revenue	\$	170
Nonpublic Transportation Revenue		-

ZACHARY COMMUNITY SCHOOL BOARD
Zachary, Louisiana

Class Size Characteristics
As of October 1, 2021

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	59%	534	39%	351	2%	20	0%	-
Elementary Activity Classes	51%	81	36%	58	13%	20	0%	-
Middle/Jr. High	43%	128	30%	89	27%	79	0%	-
Middle/Jr. High Activity Classes	60%	26	7%	3	5%	2	28%	12
High	54%	325	26%	154	18%	104	2%	11
High Activity Classes	90%	156	8%	13	1%	2	1%	2
Combination	0%	-	0%	-	0%	-	0%	-
Combination Activity Classes	0%	-	0%	-	0%	-	0%	-
Other	0%	-	0%	-	0%	-	0%	-
Other Activity Classes	0%	-	0%	-	0%	-	0%	-

Note: 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.



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December 22, 2022

Postlewaite and Netterville

C. Findings and Questioned Costs – Major Federal Award Programs Audit

2022-001 Special Tests and Provisions – Wage Rate Requirements

View of Responsible Official:

The School District will have proper policies and procedures when using federal funding for construction and improvements to facilities in the School District.

Corrective action plan:

The School District will enhance controls and compliance over all construction projects to secure proper wage rate requirements from contractors and subcontracts when using federal funding.

John P Musso
Business Manager



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December 19, 2022

Postlethwaite and Netterville

Corrective Action plan

Class Size Characteristics (Schedule 2)

JPAMS data is real time data. An upload to LDOE for class records can be uploaded to LDOE from August 2021 to January 2022 with the as of date of October 1, 2021. When the file is created, it depends on the date that determines the number of students in the class. For example, if I upload on September 5, with an, as of date of October 1, the class count may be 22 students. On September 10th, the class count could be 28, if students are added or deleted between the 5th and the 10th in the student software system. Therefore, the records are not static. They can change daily or weekly. You would have to capture the data on the exact day of the count per roll book, which is not feasible for DOE, because they want the count at different times. However, you can see how this timing difference is difficult to observe on a day-to-day comparison. It is difficult to understand just by printing rolls and sending to you with an explanation.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (NO SCHEDULE)

The staff has continued reviewing each employee's individual personnel file to identify supporting documentation of the number of years of experience. This documentation will be used to ensure the number of years of experience in the financial system will match the number of years in the student system. This process was done in the previous year but the original file for this current fiscal year had been sent to the LDOE prior to this report, Therefore, this is a repeat finding from the previous year which could not be corrected before this year's report was filed with the LDOE.

Public School Staff Data: Average Salary (NO SCHEDULE)

This employee was left off the PEP report as of 6/30/2022 was reclassified from a substitute teacher to a teacher prior to the report being submitted to the LDOE. The staff reviewed and corrected the report and added the employee to the PEP report on 8/26/2022 but the financial system for PEP did not pick up the teachers actual or budgeted salary for the fiscal year 2022 because the employee was still classified as exempt as a substitute teacher for PEP.

John P. Musso

John P Musso
Business Manager

ZACHARY COMMUNITY SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2022

December 22, 2022

Mr. Scott Devillier, Superintendent and
The Members of the Zachary Community School Board

We have audited the financial statements of the Zachary Community School Board (School Board), for the year ended June 30, 2022 and have issued our report thereon. As part of our audit, we evaluated the internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

During the course of our audit, we became aware of a matter that is an opportunity for strengthening internal controls or operating efficiency. Our comments and suggestions regarding this matter is set forth below. This letter does not affect our reports dated December 22, 2022, on the financial statements, compliance and internal controls of the School Board.

2022-001 Other Post-Employment Benefits (OPEB) Census Listing

Criteria:

The other post-employment benefits census listing includes active employees and retirees and is prepared annually by the accounting department. The census listing is submitted to the actuary for the purpose of completing a valuation of the other post-employment benefits liability. Control procedures should be in place to ensure the census listing is complete and includes all active employees and retirees through the other post-employment benefits liability valuation date in order to ensure the number of employees covered by the benefit term is accurate.

Condition:

The census listing submitted to the actuary excluded 7 current year retirees, which was identified after the census data was submitted. This did not result in a significant difference in the actuarial calculation of the other post-employment benefits liability valuation.

Recommendation:

We recommend the School Board enhance the documentation of the reconciliation controls of the census listing submitted to the actuary to the underlying payroll records to ensure completeness of the census listing.

Management's Response:

The School Board has well established policies and procedures and the staff will make efforts to convey those practices in written format.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the School Board's staff for their patience and cooperation with us during the performance of the audit.

This report is intended solely for the information and use of the School Board and its management and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 22, 2022



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December 22, 2022

Responses to Management Letter FY 2021-22:

2022-001 Other Post-Employment Benefits (OPEB) Census Listing

Management's Response and Corrective Action:

The School Board has well established policies and procedures and staff will make efforts to convey those practices in written format.

John Musso

Business Manager

Independent Accountant's Report
On Applying Agreed-Upon Procedures
For the Year Ended June 30, 2022

To the Members of the
Zachary Community School Board and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Zachary Community School Board's (School Board or Entity) 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 LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, 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 performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*" or for step 25 "*we performed the procedure and discussed the results with management*". If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether 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.

No exception noted.

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.

No exception noted.

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

No exception noted.

- 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).

No exception noted.

- 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.

No exception noted.

- 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.

The School Board does not have a written policy for contracting.

- 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).

The School Board does not have a written policy for its credit cards, purchase cards or fuel cards.

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

No exception noted.

- 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.

The School Board has a written policy for Ethics; however, the policy does not specifically address a system to monitor possible ethics violations according to attribute (3) above or a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the ethics policy according to attribute (4) above.

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

The School Board has a written policy for Debt Service; however, the policy does not specifically address attribute (3) debt reserve 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.

No exception noted.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exception noted.

B - 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 whether 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.

No exception noted.

- b) For those entities reporting on the governmental accounting model, observe whether 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.*

No exception noted.

- 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.

No exception noted.

C - 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 listing of bank accounts was provided and included a total of 12 bank accounts. Management identified the School Board's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending June 30, 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

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

No exception noted.

- 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

No exception noted.

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

No exception noted.

D - 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).

A listing of deposit sites was provided and included a total of 15 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 deposit sites and performed the procedures below.

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 listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 15 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the School Board's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exception noted.

- 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.

No exception noted.

- 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.

No exception noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exception noted.

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

No exception noted.

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:

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

For 1 of the 5 bank accounts selected for our procedures (Central office account), the School Board does not maintain sequentially pre-numbered receipts. For remaining 4 out of 5 bank accounts, no exception noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exception noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

- d) Observe 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).

For 3 of the 10 deposits selected for our procedures, the deposit was not made within one business day of the receipt at the collection location.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exception noted.

E - 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).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 locations and performed the procedures below.

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:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the School Board's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exception noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exception noted.

- 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.

No exception noted.

- 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.

For 5 of the 5 locations selected for our procedures, the employee responsible for processing payments is the person responsible for mailing payments.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

No exception noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For 25 of the 25 disbursements selected for our procedures, the employee responsible for processing payments is the person responsible for mailing payments.

F - 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.

A listing of cards was provided. No exceptions were noted as a result of performing 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:

From the listing provided, we randomly selected 5 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- a) Observe whether 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) were reviewed and approved, in writing, 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.]

No exception noted.

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

No exception noted.

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 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.

We randomly selected 10 transactions (or all transactions if less than 10) for each of the 5 cards selected in procedure #12 and performed the specified procedures. No exceptions were noted as a result of performing this procedure.

G - 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:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, observe 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).

None of the reimbursements selected for our procedures used a per diem. No exception noted.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

All 5 reimbursements selected for our procedures were reimbursed using actual costs. No exception noted.

- c) Observe 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).

No exception noted.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

H - 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 listing of all contracts was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Of the 5 contracts selected for our procedures, there were no contracts subject to Louisiana Public Bid Law. No exception noted.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

For 1 of the 5 contracts selected for our procedures, there was no approval by the board.

- c) If the contract was amended (e.g., change order), observe 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).

Of the 5 contracts selected for our procedures, there were no contracts which were amended. No exception noted.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

We randomly selected 1 payment for the 5 contracts selected in procedure #15 and performed the specified procedures. No exception noted.

I - Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

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

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

The School Board's salaried employees do not have daily attendance records; however, they do have leave requests. No exception noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exception noted.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exception noted.

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's 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.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exception noted.

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.

No exception noted.

J - 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 whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exception noted.

- b) Observe whether 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.

No exception noted.

K - Debt Service

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

A listing of bonds/notes issued during the fiscal period was provided. No exceptions were noted as a result of performing 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).

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exceptions noted.

L - 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.

There were no misappropriations of public funds or assets reported during the fiscal period. No exception noted.

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.

No exception noted.

M - 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

N - 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 the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exception noted.

27. Observe 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).

No exception noted.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe 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;

No exception noted.

- b) Number of sexual harassment complaints received by the agency;

The School Board does not have a report on file as there were no complaints in the current year.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

The School Board does not have a report on file as there were no complaints in the current year.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

The School Board does not have a report on file as there were no complaints in the current year.

- e) Amount of time it took to resolve each complaint.

The School Board does not have a report on file as there were no complaints in the current year.

Corrective Action

27. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached response from management.

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 performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 22, 2022



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December 19, 2022

Responses to Statewide Agreed Upon Procedures 2021-22:

1. Written Policies and Procedures

The School District has well established policies and procedures, the staff will make efforts to convey those practices in written format for the following functions:

- f) Contracting – Process for legal review including standard terms and conditions, legal review, and monitoring process.
- g) Credit Cards/P cards/Fuel Cards – While all cards follow our current purchasing policies and procedures, the School District will separate out its Credit Card procedures to address how cards are used for allowable business uses and documentation requirements.
- i) Ethics - While each employee complies with the required annual Louisiana Ethics Training and receives a monitored certificate of completion, the School District will convey a process in writing.
- j) Debt Service – The current debt service policy will more specifically address the debt service reserve requirements.

7. Collections

- d) The Business department will communicate regularly proper deposit policies and procedures with the school secretaries for timely deposits of funds received at the schools.

9. Non-Payroll Disbursements


- d) While the staff in charge of Accounts Payable/Payroll, are not able to segregate the duties of processing of payables and distribution of checks, there are mitigating controls in place to review the payments by the Accountant and the Business Manager for the School District.

10. Non-Payroll Disbursements

- b) While the staff in charge of Accounts Payable/Payroll, are not able to segregate the duties of processing of payables and distribution of checks, there are mitigating controls in place to review the payments by the Accountant and the Business Manager for the School District.

15. Contracts

b) The Board does not approve all contracts by policy. The Superintendent has the Board's approval, through the School District's budget, to contract on behalf of the School District. Process for legal review including standard terms and conditions, legal review, and monitoring process is still reviewed in conjunction with the School Board.



John Musso

Business Manager