

**Sabine Parish School Board
Many, Louisiana**

Financial Statements and
Independent Auditor's Reports
as of and for the Year Ended
June 30, 2021

Fortenberry & Ballard, PC
Certified Public Accountants

SABINE PARISH SCHOOL BOARD

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FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION

Superintendent and School Board
Sabine Parish School Board

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Sabine Parish School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish School Board, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The school district implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the fiscal year end June 30, 2021.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedules of the School Board's Proportionate Share of the Net Pension Liability (Teachers' Retirement System of Louisiana and Louisiana School Employees' Retirement System), the Schedules of School Board's Contributions (Teachers' Retirement System of Louisiana and Louisiana School Employees' Retirement System), and the Schedule of Changes in Total OPEB Liability and Related Ratios on pages 9 to 18 and 68 to 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Parish School Board's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the combining nonmajor fund financial statements, Schedule of Changes in Deposit Balances of Individual School Activity Funds, Capital Assets Information, Schedule of Compensation Paid Board Members, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are

presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the combining nonmajor fund financial statements, Schedule of Changes in Deposit Balances of Individual School Activity Funds, Capital Assets Information, Schedule of Compensation Paid Board Members, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information mentioned above is 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 March 11, 2022, on our consideration of the Sabine Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sabine Parish School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sabine Parish School Board's internal control over financial reporting and compliance.

Fortenberry & Ballard, PC
March 11, 2022

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**SABINE PARISH SCHOOL BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The following discussion and analysis of Sabine Parish School Board’s financial performance provides an overview of the School Board’s financial activities for the year ended June 30, 2021. The intent of this discussion and analysis is to look at the School Board’s performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the School Board’s financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this School Board's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the School Board's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position for 2021 increased \$4,008,183, including a prior period adjustment of (\$119,622), which represents a 5% increase from fiscal year 2020. Total net position for 2020 increased \$6,829,355, including a prior period adjustment of (\$20,118), which represents an 8% increase from fiscal year 2019.
- General revenues account for \$47,208,991 in revenue, or 74% of all revenues. This amount was less, than the general revenues reported for the year 2020 of \$48,979,545, or 83% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16,711,964 or 26% of total revenues, compared with \$10,266,018 or 17% in 2020.
- Sabine Parish School Board had \$59,793,150 in expenses, an increase of 14% from \$52,396,090 in expenses from the prior year. Of these expenses, \$16,711,964 was offset by program specific charges for services, grants and contributions in 2021.
- Among major funds, the General Fund had \$39,641,020 in revenues and \$38,904,121 in expenditures. In 2020, the General Fund had had \$42,392,764 in revenues and \$38,444,512 in expenditures. The General Fund’s fund balance increased \$1,510,341 over the prior year.
- Capital assets, net of accumulated depreciation, increased by \$76,464, including a prior period adjustment of (\$15,987). Capital assets increased from 2020 due primarily to the additions to construction in progress, buildings and improvements and vehicles and equipment.
- Long-term debt decreased by \$1,630,318. This decrease from prior year was due primarily to principal payments on outstanding long-term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the School Board’s basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information and supplementary information.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the School Board's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the School Board's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the differences between them reported as "net position". Over time, increases or decreases in the School Board's net position may serve as a useful indicator of whether its financial position 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements outline functions of the School Board that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the School Board include instruction, support services, food services, community service programs, pension expense, OPEB expense, and interest on long-term debt.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board are presented as governmental funds.

Governmental funds - All of the School Board's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the School Board's near-term financing 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 gain a better understanding of the long-term impact of the School Board's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures,

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities in the government-wide financial statements.

The School Board maintains individual governmental funds in accordance with the *Louisiana Accounting & Uniform Governmental Handbook*, published by the Louisiana Department of Education. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these statements as other governmental funds.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

A net pension liability and total OPEB liability result in liabilities on the government-wide financial statements but are not reported on governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the 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. The notes to the financial statements can be found immediately following the financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules, the Schedules of the School Board's Proportionate Share of the Net Pension Liability (Teachers' Retirement System of Louisiana and Louisiana School Employees' Retirement System), the Schedules of School Board's Contributions (Teachers'

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Retirement System of Louisiana and Louisiana School Employees' Retirement System) and the Schedule of Changes in Total OPEB Liability and Related Ratios as required supplementary information. The School Board adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund as required by the Governmental Accounting Standards Board.

Supplementary Information

Additionally, a Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the combining nonmajor fund financial statements, Schedule of Changes in Deposit Balances of Individual School Activity Funds, Capital Asset Information, Schedule of Compensation Paid Board Members, and the Schedule of Compensation, Benefits and Other Payments to Agency head or Chief Executive Officer can be found in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$76,360,389 as of June 30, 2021.

The School Board's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the other post-employment benefits liability, the acquisition and disposal of capital assets and the depreciation of capital assets.

Table 1 presents a summary of the School Board's net position at June 30, 2021 and June 30, 2020.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Table 1
Condensed Statement of Net Position

	June 30, 2021	June 30, 2020	Percentage Change
Current assets	\$ 42,934,824	39,279,056	9%
Capital assets, net	37,802,171	37,725,707	0%
Total assets	80,736,995	77,004,763	5%
Deferred outflows of resources	24,166,764	16,950,532	43%
Current liabilities	8,371,840	6,240,869	34%
Long-term debt	22,617,138	24,304,125	-7%
Net Pension Liability and Other Postemployment Benefits	138,542,424	125,416,996	10%
Total liabilities	169,531,402	155,961,990	9%
Deferred inflows of resources	11,732,746	18,361,877	-36%
Net position:			
Net investment in capital assets	16,205,501	14,498,719	12%
Restricted	10,950,024	10,941,597	0%
Unrestricted	(103,515,914)	(105,808,888)	2%
Total net position (deficit)	\$ (76,360,389)	(80,368,572)	5%

Additional information on unrestricted net position:

In connection with the application of standards on accounting and financial reporting for pensions and OPEB, management presents the following additional information:

Total unrestricted net position (deficit)	\$ (103,515,914)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and total OPEB liability including the related deferred outflows and deferred inflows	<u>126,108,406</u>
Unrestricted net position, exclusive of the net pension liability and total OPEB liability effect	<u>\$ 22,592,492</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- Increase in net capital assets in the amount of \$76,464.
- The principal retirement of \$1,630,318 of long-term debt.

Changes in net position

The School Board's total revenues for the fiscal years ended June 30, 2021 and 2020 were \$63,920,955 and \$59,245,563, respectively. The total cost of all programs and services was \$59,793,150 for 2021 and \$52,396,090 for 2020.

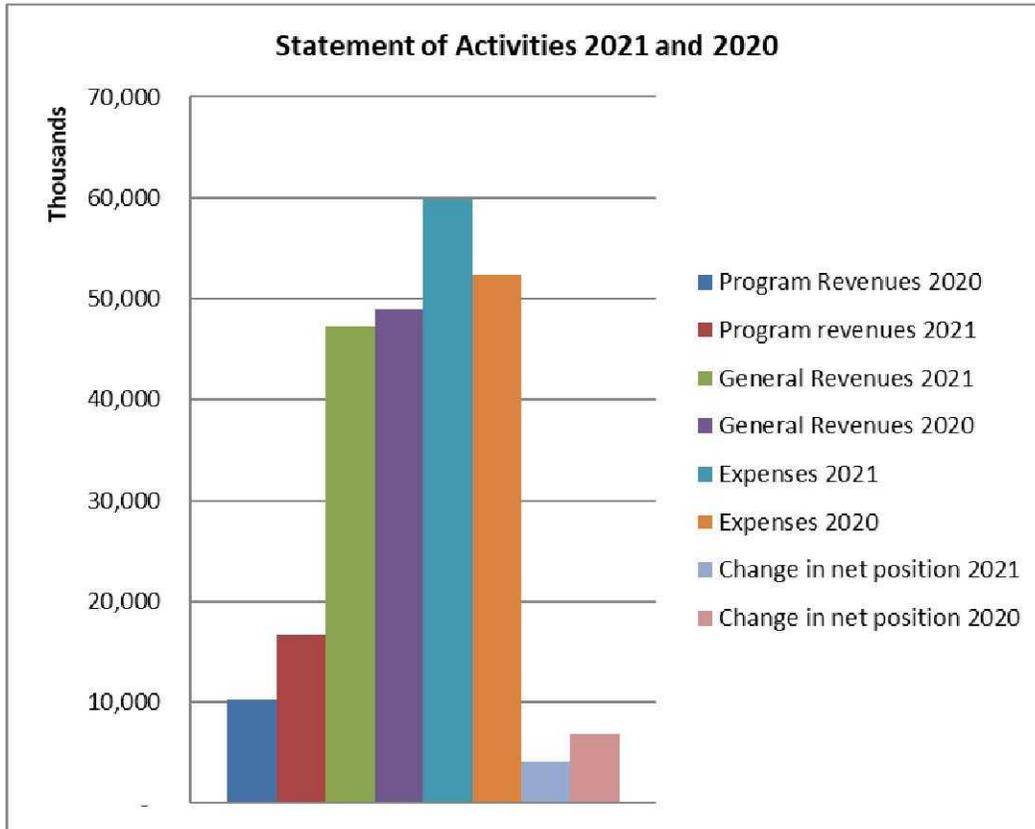
Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

Table 2
Changes in Net Position

	For the Year Ended June 30, 2021	For the Year Ended June 30, 2020	Percentage Change
Revenues:			
<u>Program revenues</u>			
Charges for services	\$ 2,240,565	\$ 670,032	234%
Operating grants & contributions	14,471,399	9,595,986	51%
Total program revenues	<u>16,711,964</u>	<u>10,266,018</u>	63%
<u>General revenues</u>			
Property taxes	7,835,625	6,639,128	18%
Sales and use taxes	12,385,088	13,526,587	-8%
State revenue sharing	150,721	152,069	-1%
Minimum foundation program	26,555,553	28,065,672	-5%
Federal revenue in lieu of taxes	75,788		
Interest & investment earnings	206,216	596,089	-65%
Total general revenues	<u>47,208,991</u>	<u>48,979,545</u>	-4%
Total Revenues	<u>63,920,955</u>	<u>59,245,563</u>	8%
Expenses:			
Instruction	27,006,402	22,350,074	21%
Support services	20,541,371	19,501,466	5%
Food services	2,797,185	2,434,121	15%
Community service programs	65,432	34,315	91%
Pension expense	7,168,202	5,801,100	24%
OPEB expense	1,431,111	1,384,883	3%
Interest on long-term debt	783,447	890,131	-12%
Total Expenses	<u>59,793,150</u>	<u>52,396,090</u>	14%
Increase (decrease) in net position	<u>4,127,805</u>	<u>6,849,473</u>	-40%
Net position (Deficit), July 1, 2020, as previously reported	(80,368,572)	(87,197,927)	8%
Prior period adjustment	(119,622)	(20,118)	-495%
Net position (Deficit), July 1, 2020, as restated	<u>(80,488,194)</u>	<u>(87,218,045)</u>	8%
Net position (Deficit), June 30, 2021	<u>\$ (76,360,389)</u>	<u>\$ (80,368,572)</u>	5%

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021



Governmental activities

The following table presents the cost of the seven major School Board functional activities: instruction, support services, food services, community service programs, pension expense, OPEB expense and interest on long-term debt. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost presents the financial burden that was placed on the State and School Board's taxpayers by each of these functions.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Functional expenses	2021	2020	2021	2020
	Expenses	Expenses	Net (Expense)/ Revenue	Net (Expense)/ Revenue
Instruction	\$ 27,006,402	22,350,074	(21,533,668)	(19,727,781)
Support services	20,541,371	19,501,466	(10,223,183)	(12,810,167)
Food services	2,797,185	2,434,121	(1,876,143)	(1,481,695)
Community service programs	65,432	34,315	(65,432)	(34,315)
Pension expense	7,168,202	5,801,100	(7,168,202)	(5,801,100)
OPEB expense	1,431,111	1,384,883	(1,431,111)	(1,384,883)
Interest on long-term debt	783,447	890,131	(783,447)	(890,131)
Total	\$ <u>59,793,150</u>	<u>52,396,090</u>	<u>(43,081,186)</u>	<u>(42,130,072)</u>

- Net cost of governmental activities (\$43,081,186), was financed by general revenues. General revenues consist of the Minimum Foundation Program funding, \$26,555,553, property taxes, \$7,835,625, sales and use taxes, \$12,385,088, investment earnings, \$206,216, Federal revenue in lieu of taxes, \$75,788, and state revenue sharing, \$150,721.

FINANCIAL ANALYSIS OF THE SCHOOL BOARD'S FUNDS

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the School Board's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Board's net resources available for spending at the end of the fiscal year.

The financial performance of the Board as a whole is reflected in its governmental funds. As the Board completed the year, its governmental funds reported a combined fund balance of \$34,816,913, a decrease of \$1,504,015. \$23,612,960 or 68% of the fund balance is unassigned, which represents the residual classification for the general fund's fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The remaining fund balance of \$11,203,953 or 32% is restricted to indicate that it is not available for spending except only for the purposes to which it is restricted.

The General Fund is the principal operating fund of the Board. The increase in fund balance in the General Fund for the fiscal year was \$1,510,341. The fund balance of Other Governmental Funds decreased \$6,326.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

BUDGETARY HIGHLIGHTS

During the year, the School Board revised the annual operating budget. Historical data, tentative allocations of state and federal funds, legislative mandates, and anticipated needs are used to determine original budget amounts.

The Board's original budget was prepared with the Board's goals and long range commitments in mind, using historical data, tentative allocations or estimates of state and federal funds, legislative mandates, staffing studies, and current and anticipated needs. Over the course of the year, the Board revised the annual operating budget as changes occurred.

At the time the original budget was prepared only estimates were available for federal funding. Typically original budgets are prepared using prior year allocation as estimates. Once federal awards were known, budgets were amended to the actual grant award amount. Over the course of the year, the Board revised the annual operating budget.

A schedule showing the original and final budget amounts compared to the Board's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2021, the Board's total capital assets were \$75,931,345, including land, construction in progress, school buildings, buses, other school vehicles, furniture and equipment. This amount represents an increase of \$1,828,256. Total accumulated depreciation as of June 30, 2021 was \$38,129,174, and total depreciation expense for the year was \$1,748,393, resulting in total net capital assets of \$37,802,171, including a prior period adjustment of (\$15,987).

	2021	2020	Percentage Change
Land	\$ 350,248	350,248	0%
Construction in progress	-	3,903,939	-100%
Buildings & improvements	35,013,670	31,580,681	11%
Vehicles & equipment	2,438,253	1,890,839	29%
Total	<u>\$ 37,802,171</u>	<u>37,725,707</u>	0%

Additional information about the Board's capital assets can be found in Note 7 of this report.

Debt Administration. At June 30, 2021, the School Board had \$22,617,138 in long-term debt outstanding, \$21,373,000 constitutes bonds outstanding, \$175,670 capital leases, \$48,000 certificates of indebtedness and \$1,020,468 in compensated absences payable, of which \$1,641,693 is due within one year.

Sabine Parish School Board
Management's Discussion and Analysis
For the Year Ended June 30, 2021

	2021	2020	Percentage Change
Compensated absences	\$ 1,020,468	1,077,137	-5%
Capital leases - Buses	175,670	346,988	-49%
Certificates of indebtedness	48,000	94,000	-49%
General obligation bonds	<u>21,373,000</u>	<u>22,786,000</u>	-6%
Total long-term debt	<u>\$ 22,617,138</u>	<u>24,304,125</u>	-7%

Additional information of the Board's long-term debt can be found in Note 12 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

1. Minimum foundation program revenues
2. Taxes (ad valorem and sales)
3. Intergovernmental revenues (federal and state grants)

The Sabine Parish School Board does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the financial resources it receives. If you have questions about this report, please contact Dr. Sara Ebarb, Superintendent or Mr. Rodney Wilson, Director of Finance, at the Sabine Parish School Board, PO Box 1079, Many, LA 71449, telephone number (318) 256-9228.

BASIC FINANCIAL STATEMENTS

SABINE PARISH SCHOOL BOARD

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 30,406,900
Cash with fiscal agents	302,328
Investments	5,582,949
Receivables	6,509,474
Inventory	65,016
Other current assets	68,157
Capital assets (non-depreciable):	
Land	350,248
Capital assets (net of accumulated depreciation):	
Buildings & building improvements	35,013,670
Furniture & equipment	2,438,253
Total Assets	<u>80,736,995</u>
Deferred Outflows of Resources	
<i>Deferred outflows - pensions</i>	18,536,189
<i>Deferred outflows - OPEB</i>	5,630,575
Total Deferred Outflows of Resources	<u>24,166,764</u>
Liabilities	
Accounts payable, salaries payable, and other payables	8,098,459
Other current liabilities	19,452
Accrued interest payable	253,929
Long-term liabilities (due within one year):	
Capital related liabilities	1,590,670
Non-capital related liabilities	51,023
Long-term liabilities (due beyond one year):	
Capital related liabilities	20,006,000
Non-capital related liabilities	969,445
Net pension liability	60,537,199
Other postemployment benefits liability	78,005,225
Total Liabilities	<u>169,531,402</u>
Deferred Inflows of Resources	
Deferred inflows - pensions	2,972,507
Deferred inflows - OPEB	8,760,239
Total Deferred Inflows of Resources	<u>11,732,746</u>
Net Position	
Net Investment in Capital Assets	16,205,501
Restricted For:	
Expendable:	
Debt Service	869,610
Capital Projects	4,122,807
Food service	1,107,806
Workers' compensation	44,840
Other Purposes	4,804,961
Unrestricted	(103,515,914)
Total Net Position (Deficit)	<u>\$ (76,360,389)</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	16,035,328	2,235,981	126,520	(13,672,827)
Special programs	4,368,148	--	--	(4,368,148)
Vocational programs	1,217,612	--	--	(1,217,612)
All other programs	5,385,314	--	3,110,233	(2,275,081)
Support services:				
Student services	2,065,498	--	94,571	(1,970,927)
Instructional staff support	3,163,062	--	8,394,375	5,231,313
General administration	1,052,517	--	--	(1,052,517)
School administration	2,497,620	--	--	(2,497,620)
Business services	527,165	--	--	(527,165)
Plant services	8,230,173	--	--	(8,230,173)
Student transportation services	1,866,344	--	--	(1,866,344)
Central services	1,138,992	--	1,829,242	690,250
Food services	2,797,185	4,584	916,458	(1,876,143)
Community service programs	65,432	--	--	(65,432)
Pension expense	7,168,202	--	--	(7,168,202)
OPEB expense	1,431,111	--	--	(1,431,111)
Interest on long-term debt	783,447	--	--	(783,447)
Total Governmental Activities	<u>\$ 59,793,150</u>	<u>\$ 2,240,565</u>	<u>\$ 14,471,399</u>	<u>(43,081,186)</u>
Taxes:				
Property taxes, levied for general purposes				5,587,764
Property taxes, levied for debt services				2,036,476
Property taxes				211,385
Sales and use taxes, levied for general purposes				12,385,088
State revenue sharing				150,721
Grants and contributions not restricted to specific purposes:				
State Source - Minimum Foundation Program				26,555,553
Federal revenue in lieu of taxes				75,788
Interest and investment earnings				206,216
Total general revenues				<u>47,208,991</u>
Change in net position				4,127,805
Net position (Deficit) Beginning, as previously reported				(80,368,572)
Prior period adjustment				(119,622)
Net position (Deficit), Beginning, as restated				<u>(80,488,194)</u>
Net position (Deficit), June 30, 2021				<u>\$ (76,360,389)</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD
 BALANCE SHEET - GOVERNMENTAL FUNDS
 JUNE 30, 2021

EXHIBIT C

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 19,261,171	\$ 11,145,729	\$ 30,406,900
Cash with fiscal agent	302,328	--	302,328
Investments	5,582,949	--	5,582,949
Receivables	2,588,134	3,921,340	6,509,474
Due from other funds	2,251,574	162,751	2,414,325
Inventories	--	65,016	65,016
Other current assets	286	67,871	68,157
 Total Assets	 <u>\$ 29,986,442</u>	 <u>\$ 15,362,707</u>	 <u>\$ 45,349,149</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable, salaries payable, and other payables	\$ 6,274,869	\$ 1,823,590	\$ 8,098,459
Due to other funds	34,321	2,380,004	2,414,325
Deposits due others	19,452	--	19,452
Total Liabilities	<u>6,328,642</u>	<u>4,203,594</u>	<u>10,532,236</u>
 Fund Balances:			
Restricted:			
Debt Service	--	1,123,539	1,123,539
Capital Projects	--	4,122,807	4,122,807
Food service	--	1,107,806	1,107,806
Workers' compensation	44,840	--	44,840
Other Purposes	--	4,804,961	4,804,961
Unassigned	23,612,960	--	23,612,960
Total Fund Balances	<u>23,657,800</u>	<u>11,159,113</u>	<u>34,816,913</u>
 Total Liabilities and Fund Balances	 <u>\$ 29,986,442</u>	 <u>\$ 15,362,707</u>	 <u>\$ 45,349,149</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances for governmental funds	\$ 34,816,913
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	37,802,171
Liabilities due in one year are not recognized in the funds.	(1,641,693)
Payables for bond principal which are not due in the current period are not reported in the funds.	(20,006,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(253,929)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(969,445)
Recognition of the Sabine Parish 's proportionate share of the net pension liability is not reported in the funds.	(60,537,199)
Deferred Inflows of Resources related to the pension plan are not reported in the funds.	(2,972,507)
Deferred Outflows of Resources related to the pension plan are not reported in the funds.	18,536,189
Recognition of the Sabine Parish 's proportionate share of the net OPEB liability is not reported in the funds.	(78,005,225)
Deferred Inflows of Resources related to the OPEB plan are not reported in the funds.	(8,760,239)
Deferred Outflows of Resources related to the OPEB plan are not reported in the funds.	<u>5,630,575</u>
Net position of governmental activities	<u>\$ (76,360,389)</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD**EXHIBIT E**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Local sources:			
Taxes:			
Ad valorem	\$ 1,449,629	\$ 6,385,996	\$ 7,835,625
Sales and use	9,908,555	2,476,533	12,385,088
Interest earnings	173,814	32,402	206,216
Charges for services	--	1,819,508	1,819,508
Other	352,072	30,347	382,419
Total Local Sources	<u>11,884,070</u>	<u>10,744,786</u>	<u>22,628,856</u>
State sources:			
Minimum Foundation Program	26,505,553	50,000	26,555,553
Other	1,175,609	113,551	1,289,160
Total State Sources	<u>27,681,162</u>	<u>163,551</u>	<u>27,844,713</u>
Federal Sources	<u>75,788</u>	<u>13,143,509</u>	<u>13,219,297</u>
Total Revenues	<u>39,641,020</u>	<u>24,051,846</u>	<u>63,692,866</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	16,750,783	2,859,144	19,609,927
Special programs	5,076,062	459,824	5,535,886
Vocational programs	1,491,876	46,935	1,538,811
All other programs	1,707,484	4,121,840	5,829,324
Support services:			
Student services	2,076,914	366,503	2,443,417
Instructional staff support	1,825,737	2,057,097	3,882,834
General administration	862,283	277,251	1,139,534
School administration	2,714,417	374,391	3,088,808
Business services	616,633	48,068	664,701
Plant services	826,654	5,597,185	6,423,839
Student transportation services	3,197,097	--	3,197,097
Central services	1,011,321	256,448	1,267,769
School food services	156,372	3,014,463	3,170,835
Community service programs	17,262	48,289	65,551
Capital outlay	393,095	1,449,971	1,843,066
Debt service:			
Principal retirement	171,318	1,459,000	1,630,318
Interest and bank charges	8,813	795,416	804,229
Total Expenditures	<u>38,904,121</u>	<u>23,231,825</u>	<u>62,135,946</u>
Excess (Deficiency) of Revenues over (under) Expenditures	736,899	820,021	1,556,920
Other Financing Sources (Uses):			
Proceeds from disposal of real property	11,724	2,564	14,288
Local Revenue Transfers - Charter Schools	(67,193)	--	(67,193)
Transfers In	836,799	3,694,658	4,531,457
Transfers Out	(7,888)	(4,523,569)	(4,531,457)
Total Other Financing Sources (Uses)	<u>773,442</u>	<u>(826,347)</u>	<u>(52,905)</u>
Net Change in Fund Balances	1,510,341	(6,326)	1,504,015
July 1, 2020	22,147,459	11,165,439	33,312,898
June 30, 2021	<u>\$ 23,657,800</u>	<u>\$ 11,159,113</u>	<u>\$ 34,816,913</u>

The accompanying notes are an integral part of this statement.

SABINE PARISH SCHOOL BOARD

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021*

Net change in fund balances - total governmental funds	\$ 1,504,015
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,843,066
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,748,393)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(2,222)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	213,801
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	11,971
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,413,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	171,318
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	46,000
(Increase) decrease in accrued interest from beginning of period to end of period.	20,782
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	56,669
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	6,774,240
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(7,168,202)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	2,422,871
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>(1,431,111)</u>
Change in net position of governmental activities	\$ <u>4,127,805</u>

The accompanying notes are an integral part of this statement.

Sabine Parish School Board

Notes to the Financial Statements
For the Year Ended June 30, 2021

SABINE PARISH SCHOOL BOARD

Many, Louisiana

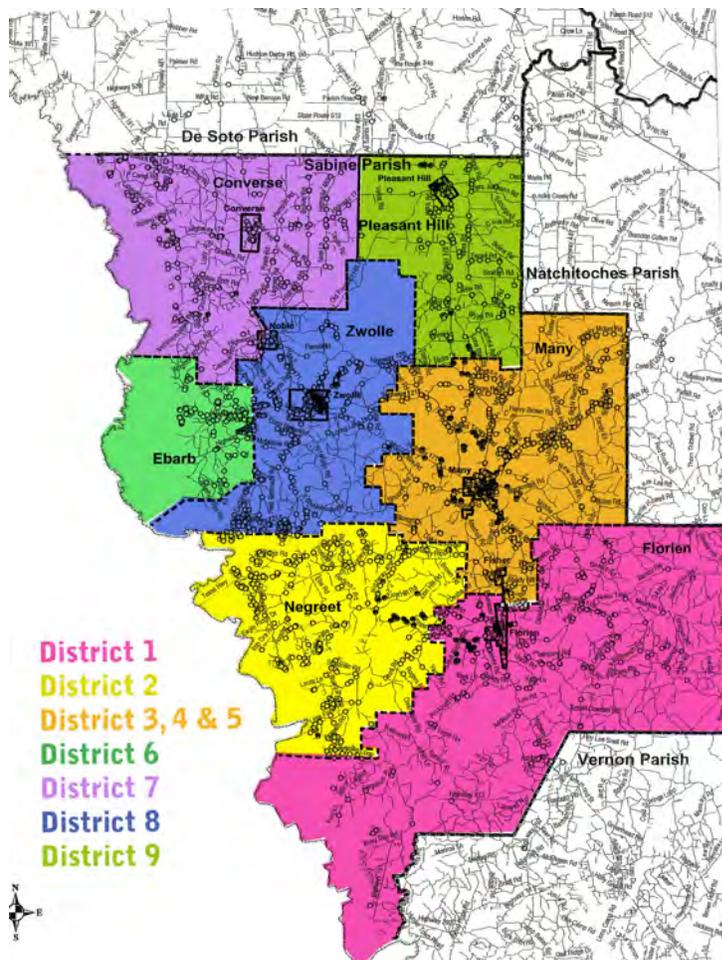
Notes to the Financial Statements

For the Year Ended June 30, 2021

INTRODUCTION

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

The School Board operates 10 schools within the parish with a total enrollment of 4,160 pupils. The School Board serves an area of approximately 1,012 square miles. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.



SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Sabine Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis— for State and Local Governments*, issued in June 1999.

B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, 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. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, GASB Statement No. 80, *Blending Requirements for Certain Component Units*, clarifies the display requirements in GASB Statement No. 14 by requiring these component units to be blended into the primary state and local government’s financial statements in a manner similar to a department or activity of the primary government. The School Board also has no component units, defined by GASB Statements No. 14 and 80 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.

C. FUNDS

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

All funds of the School Board are classified as governmental:

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Governmental Funds

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

General fund - the primary operating fund of the School Board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund's resources are available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to School Board policy.

Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes or designated by the School Board to be accounted for separately.

Debt service funds - account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs.

Capital projects funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) display information about the reporting government as a whole. These statements include all the financial activities of the School Board.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

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

Allocation of Indirect Expenses - The School Board reports all direct expenses by function in the Statement of Activities (Exhibit B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental funds financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental funds statements.

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

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Revenues

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

Federal commodities are recognized as revenues in the accounting period they are received. Food service income is recorded when collected. All food service income applicable to an accounting period is collected during the fiscal year.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use tax revenues are recorded in the month collected by the tax collector.

Interest earnings are recorded when the investments have matured and the interest is available.

Revenues from rentals, leases, and oil royalties are recorded when earned. Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a nine (9) month period, but are paid over a twelve (12) month period.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Food costs are recognized as expenditures in the period in which the food is consumed.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term debt proceeds, etc.) are accounted for as other financing sources (uses).

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

These other financing sources (uses) are recognized at the time the underlying events occur.

Unearned Revenues

The School Board reports unearned revenues on its FFS balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The School Board adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the business manager, the superintendent, and the finance committee of the School Board during April and/or May of each year. During June and/or July, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in an official journal. At its first meeting in June or July, the School Board holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the School Board as a whole. The budgets are then adopted, and notice is published in an official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to ensure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The superintendent of schools is authorized to transfer amounts between line items within a fund; however, when requested by the School Board, budgetary comparisons are prepared and presented to the School Board during a regular meeting. The School Board reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments.

The adoption of the amendments is included in the School Board minutes published in the official journal. Budget amounts included in the accompanying financial statements include the originally adopted and the final amended budget amounts.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

producing items with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

Investments are limited by R.S. 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the School Board, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct US Treasury Obligations, bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or the US government instrumentalities, provided that such obligations are backed by the full faith and credit of the US government. The School Board may invest in savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the School Board may invest in mutual or trust fund institutions, limited to 25% of the funds considered available for investment under this section. These mutual or trust fund institutions must be registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies.

Investments are stated at fair value.

H. SHORT-TERM INTERFUND RECEIVABLES/ PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. INVENTORIES

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 (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at the lower of cost, using the first-in, first-out (FIFO) method. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are assigned values based on information provided

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

by the USDA, also on a FIFO basis. The amount of commodity inventory is included in unearned revenue until consumed.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a threshold level of \$5,000 for equipment and vehicles, \$25,000 for land improvements, and \$50,000 for buildings and building improvements. Expenditures for maintenance, repairs and minor renewals are charged as an expenditure as incurred.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	N/A
Buildings and building improvements	10 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 10 years
Equipment	5 - 10 years

K. COMPENSATED ABSENCES

The School Board’s policy relating to vacation leave is that all 12-month employees earn 12 days of vacation leave each year. Vacation time may be accumulated up to 20 days maximum. Upon separation, all unused vacation leave shall be paid to the employee at the next pay period at the employee’s current rate of pay.

Dependent upon months employed anywhere from 10 to 12 days of sick leave can be accumulated per year and can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee’s current rate of pay. Under the Louisiana Teachers’ Retirement, the total unused accumulated sick leave, including the 25 days paid, is included in the retirement benefits calculation as earned service.

Sabbatical leave may be granted for medical leave or for professional and cultural improvement. 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.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. EQUITY CLASSIFICATION

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

1. Net investment in capital assets—consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position—consists of net position with constraints placed on use either by (a) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. At June 30, 2021, Sabine Parish School Board reported \$10,950,024 in restricted net position.
3. Unrestricted net position—all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

GASB Statement 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance—amounts that are not in a spendable form (such as prepaid items) or are required to be maintained intact; currently there is no nonspendable fund balance for this School Board;
- Committed fund balance—amounts constrained to a specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint; currently there is no committed fund balance for this School Board;

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Assigned fund balance—amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; currently there is no assigned fund balance for this School Board;
- Unassigned fund balance—amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose (such as for the purchase of capital assets, construction, debt service, or other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the School Board's general policy to use restricted resources first. When expenditures/expense are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the School Board's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

M. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

N. SALES TAXES

The Sabine Parish Sales Tax Commission is authorized to collect, within Sabine Parish, the following sales and use taxes for the benefit of the Sabine Parish School Board:

1. A 1% parish-wide sales and use tax with the net proceeds, after deducting cost of collection, administration, and the portion dedicated to supplement salaries of School Board employees and/or operations of the public schools within the parish.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

2. A one-half of 1% sales and use tax within the territorial boundaries of the Many School District Number 34 (Sales Tax School Board No. 1) with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Many School District Number 34. Additionally, the School Board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of Sales Tax School Board No. 34.
3. A one-half of 1% sales and use tax within the territorial boundaries of the Sabine Parish, excluding the Many School District Number 34 (Sales Tax School Board No. 2), with the net proceeds, after deducting costs of collection, administration, and proceeds dedicated to construction, improving, operating and maintaining the public school building and facilities of Sales Tax School Board Number 2. The proceeds of the tax are to be allocated for expenditures within the various schools, underlying the School Board, on a per pupil basis. Additionally, the School Board is authorized to fund the net proceeds of the tax in bonds to be issued for any capital purpose of the Sales Tax School Board Number 2.
4. A 1% parish-wide sales and use tax with the net proceeds, after deducting costs of collection, administration, and the portion dedicated to supplement salaries of School Board employees.

O. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employees' Life and Health Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

P. ESTIMATES

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

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense) until then. The school board has deferred outflows which are presented as deferred outflows for pension and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. The school board has deferred inflows which are presented as deferred inflows for pension and OPEB.

See Note 18 for further details.

R. ACCOUNTING STANDARDS UPDATE

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

2. LEVIED TAXES

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2021, taxes were levied by the School Board in August 2009, and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The taxes are based on assessed values determined by the Tax Assessor of Sabine Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2021, taxes were levied on property with net assessed valuations totaling \$215,251,780, and were dedicated as follows:

Parish-wide Taxes:

Constitutional 5.37 mills

Maintenance 9.06 mills

School Board Taxes:

School Board No. 20 (South Sabine) - maintenance 7.77 mills, debt service 7.44 mills

School Board No. 62 (Negreet) - maintenance 6.58 mills

School Board No. 34 (Many) - maintenance 7.50 mills, debt service 27.96 mills

School Board No. 17 (Ebarb) - maintenance 16.49 mills, debt service 15.85 mills

School Board No. 8 (Converse) - maintenance 13.21 mills

School Board No. 42 (Pleasant Hill) - maintenance 11.59 mills

School Board No. 61 (Zwolle) - maintenance 10.89 mills, debt service 13.91 mills

Gross taxes levied for the current fiscal year totaled \$7,056,375. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$7,835,625.

3. CASH AND CASH EQUIVALENTS AND CASH WITH FISCAL AGENTS

At June 30, 2021, the School Board has cash and cash equivalents (book balances) totaling \$30,406,900 in governmental funds in interest-bearing demand deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that, in the event of the failure of a financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2021, the School Board had \$31,040,949 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$30,540,949 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The carrying amount of School Board's cash with fiscal agents held by financial institutions was \$302,328.

4. INVESTMENTS

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

<u>Investment type</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificate of deposit	n/a	less than one year	\$ 100,000
Certificate of deposit	n/a	more than one year	2,688,250
United States Treasury Notes	n/a	less than one year	300,945
United States Treasury Notes	n/a	more than one year	<u>2,493,754</u>
			\$ <u>5,582,949</u>

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 in puts.

The School Board has the following recurring fair value measurements as of June 30, 2021:

- Level 1 type of investments of \$5,582,949 are valued using quoted market prices (Level 1 inputs)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Board does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board does not have a formal investment policy that addresses custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk for investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure by issuer and amount of investments for any one issuer that represents five percent (5%) or more of total investments for the School Board. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

mutual funds and external investment pools, and other pooled investments. As of June 30, 2021, the School Board did not have any investments to which this would apply.

5. RECEIVABLES

The receivables of \$6,509,474 at June 30, 2021, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Debt Service Funds	Total
Taxes:				
Sales and use	\$ 1,106,800	\$ 276,662	\$ -	\$ 1,383,462
Intergovernmental grants:				
Federal	-	3,641,272	-	3,641,272
State	126,102	-	-	126,102
Local accounts	<u>1,355,232</u>	<u>2,369</u>	<u>1,037</u>	<u>1,358,638</u>
	<u>\$ 2,588,134</u>	<u>\$ 3,920,303</u>	<u>\$ 1,037</u>	<u>\$ 6,509,474</u>

The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

6. DUE TO/FROM FUNDS

Individual balances due to/from other funds at June 30, 2021, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 2,251,574
Other Governmental Funds	General Fund	34,321
Other Governmental Funds	Other Governmental Funds	<u>128,430</u>
Total		<u>\$ 2,414,325</u>

The purpose of the due from/to other funds was to cover deficit cash balances. All balances are expected to be repaid within one year from the date of the financial statements.

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2021, is as follows:

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

	Balance, July 1, 2020	Additions	Retirements	Completed Constructions	Adjustments	Balance, June 30, 2021
Land	\$ 350,248					\$ 350,248
Construction in progress	3,903,939	982,910		(4,886,849)		0
Buildings and improvements	64,289,213	121,557		4,886,849	3	69,297,622
Vehicles and equipment	5,559,689	738,599	14,813			6,283,475
Total capital assets	74,103,089	1,843,066	14,813	-	3	75,931,345
Accumulated depreciation:						
Buildings and improvements	32,708,532	1,479,965			95,455	34,283,952
Vehicles and equipment	3,668,850	268,428	12,591		(79,465)	3,845,222
Total accumulated depreciation	36,377,382	1,748,393	12,591	-	15,990	38,129,174
Net capital assets	\$ 37,725,707	94,673	2,222	0	(15,987)	\$ 37,802,171

Adjustments were made to properly present capital assets during the year end.

Depreciation expense of \$1,748,393 for the year ended June 30, 2021, was charged to the following governmental functions:

Depreciation Expense:	Amount
Instruction	\$ 8,955
Support services	1,727,416
Food services	12,022
Total depreciation expense	<u>\$ 1,748,393</u>

8. RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description

Employees of Sabine Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan.

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The System's employer pension schedules were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements. The member's earnable compensation is attributed to the employer(s) for which the member is employed as of June 30, 2020.

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

1. NORMAL RETIREMENT

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after **July 1, 2015** may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit or are eligible for an actuarially reduced benefit with at least 20 years of service credit at any age. Members hired between **January 1, 2011 and June 30, 2015** may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit or are eligible for an actuarially reduced benefit with 20 years of service credit at any age. Members hired between **July 1, 1999 and December 31, 2010**, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service credit, age 55 with 25 years of service credit, or at any age with 30 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit at any age. If hired before **July 1, 1999**, members are eligible for a 2% benefit factor at the earliest of age 60 with at least 5 years of service credit or at any age with 20 years of service credit, or a 2.5% benefit factor, age 55 with 25 years of service credit, age 65 with 20 years of service credit, or at any age with 30 years of service credit.

Plan A - Members may retire with a 3.0% benefit factor at age 55 with 25 years of service credit, age 60 with at least five years of service credit, or any age with 30 years of service credit. Plan A is closed to new entrants.

Plan B - Members may retire with a 2.0% benefit factor at age 55 with at least 30 years of service credit, or age 60 (hired before July 1, 2015) with at least 5 years of service credit, or age

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

62 (hired after July 1, 2015) with 5 years of service credit, or an actuarially reduced benefit with at least 20 years of service credit at any age.

Benefit Formula

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

Payment Options

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

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

2. DEFERRED RETIREMENT OPTION PROGRAM (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

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

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

3. DISABILITY RETIREMENT BENEFITS

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

4. SURVIVOR BENEFITS

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

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

5. PERMANENT BENEFIT INCREASES/COST-OF-LIVING ADJUSTMENTS

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

6. OPTIONAL RETIREMENT PLAN (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. The rates in effect for the year ended June 30, 2021, are as follows:

	Employer Contribution
2021 TRSL Sub Plan	2021
K-12 Regular Plan, Lunch Plans A & B	25.8%
Higher Ed Regular Plan	25.0%

ORP	Employer UAL
2021	21.8%

In accordance with state statute, the System 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 not considered special funding situations.

The School Board's contractually required composite contribution rate for the year ended June 30, 2021 was 21.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$6,156,866 for the year ended June 30, 2021.

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

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

At June 30, 2021, the School Board reported a liability of \$55,113,954 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The School Board's proportionate share used to calculate the June 30, 2021 net pension liability was 0.495470 percent, which was based on a measurement date of June 30, 2020. This was an increase of 0.479358 percent from its proportionate share used to calculate the June 30, 2020 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended June 30, 2021, the School Board recognized pension expense of \$6,209,406. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,353,008	\$ 884,701
Changes of assumptions	3,278,734	
Net difference between projected and actual earnings on pension plan investments	4,254,469	
Changes in proportionate share	1,746,015	1,950,769
School Board contributions subsequent to the measurement date	6,156,866	
Total	<u>\$ 16,789,092</u>	<u>\$ 2,835,470</u>

\$6,156,866 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2022	\$ 1,003,099
2023	2,570,397
2024	2,237,402
2025	<u>1,985,858</u>
Total	<u>\$ 7,796,756</u>

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Actuarial Assumptions

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

Valuation date	June 30, 2020
Actual cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected Remaining Service Lives	5 years
Investment rate of return	7.45% net of investment expenses*
Inflation rate	2.3% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service
Cost-of-living adjustments	None
	Active members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.
	Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables adjusted by 1.366 for males and by 1.189 for females
Mortality	Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.
	These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012-June 30, 2017) experience study of the System's members.

* The investment rate of return used in the actuarial valuation for funding purposes was 7.8%, recognizing an additional 35 basis points for gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.

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 8.17% for 2020. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	27.0%	4.60%
International Equity	19.0%	5.54%
Domestic Fixed Income	13.0%	0.69%
International Fixed Income	5.5%	1.50%
Private Equity	25.5%	8.62%
Other Private Assets	10.0%	4.45%

Discount Rate

The discount rate used to measure the total pension liability was 7.45%.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the proportionate share of the net pension liability of the school board calculated using the discount rate of 7.45%, as well as what the School Board's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.45%) or one percentage point higher (8.45%) than the current rate.

	1.0% Decrease (6.45%)	Current Discount Rate (7.45%)	1.0% Increase (8.45%)
School Board's proportionate share of the net pension liability	\$ 71,946,611	\$ 55,113,954	\$ 40,944,132

Retirement System Audit Reports

TRSL issues stand-alone audit reports on its financial statements. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov and the TRSL website, www.trsl.org.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

B. Louisiana School Employees' Retirement System (LSERS)

General Information about the Pension Plan

Plan Description

Employees of Sabine Parish School Board are provided with pension through a cost-sharing multiple-employer defined benefit plan administered by the State of Louisiana School Employees' Retirement System (LSERS). Section 11:1001 of the Louisiana Revised Statutes grants to LSERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan.

The System's Employer Pension Schedules are prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Benefits

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LRS 11:1141 – 11:1153. A member who joined the System on or before June 30, 2010, is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the System on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. A member who joined the System on or after July 1, 2015, is eligible for normal retirement if he has at least five years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For the members who join the System on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

Disability

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal service retirement and has become totally and permanently disabled, and is certified as disabled by the Medical Board. A vested person with 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Deferred Retirement Option Plan

Members of the System may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in DROP. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

The System maintains subaccounts within this account reflecting the credits attributed to each participant in the System. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the System and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Initial Benefit Retirement Plan

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

Members who enter DROP or IBRP on or after January 1, 2004, are required to participate in LSERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP/IBRP participants to choose from a menu of investment options for the allocation of their DROP/IBRP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

EMPLOYER CONTRIBUTIONS

Contributions for all participating School Boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actual employer contribution rate for the year ended June 30, 2020, was 29.40%.

Contributions to the pension plan from the School Board were \$617,374 for the year ended June 30, 2021.

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

At June 30, 2021, the Employer reported a liability of \$5,423,245 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability was based on a projection of the School Board's long-term share of contribution to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The School Board's proportionate share used to calculate the June 30, 2020 net pension liability was 0.674989 percent, which was based on a measurement date of June 30, 2020. This was an increase of 0.060465 percent from the proportionate share as of June 30, 2019.

For the year ended June 30, 2021, the School Board recognized pension expense of \$958,796.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 133,501
Changes in assumptions	32,319	
Net difference between projected and actual investments earnings on pension plan investments	825,736	
Changes in proportionate share	271,668	3,536
School Board contributions subsequent to the measurement date	617,374	
Total	<u>\$ 1,747,097</u>	<u>\$ 137,037</u>

\$617,374 reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2022	\$ 192,345
2023	360,813
2024	250,709
2025	<u>188,819</u>
Total	<u>\$ 992,686</u>

ACTUARIAL ASSUMPTIONS

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

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.00%, net of investment expense
Expected Remaining Service Lives	3 years
Inflation Rate	2.50%
Mortality	RP-2014 Healthy Annuitant Tables RP-2014 Sex Distinct Employee Table RP-2014 Sex Distinct Mortality Table
Salary Increases	3.25% based on a 2013-2017 experience study of the System's members
Cost of Living Adjustments	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	26%	0.92%
Equity	39%	2.82%
Alternatives	23%	1.95%
Real Estate	12%	0.69%
Totals	100%	6.38%
Inflation		2.00%
Expected Arithmetic Nominal Return		8.38%

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be at the actuarially-determined rates approved by Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the School Board's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the School Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate as of June 30, 2020.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School Board's proportionate share of the net pension liability	\$ 7,103,649	\$ 5,423,245	\$ 3,986,065

RETIREMENT SYSTEM AUDIT REPORT

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2020. Access to the audit report can be found on the Louisiana Legislative Auditor's official website at www.lla.la.gov.

9. STATE OF LOUISIANA POST-RETIREMENT BENEFIT PLAN

Plan Description

The Sabine Parish School Board's (SPSB) employees participate in the State of Louisiana's OPEB plan. The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefit Plan – a defined-benefit, multiple-employer other post-employment benefit plan that is not administered as a formal trust. The plan provides medical, prescription drug, and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state sponsored retirement systems (Louisiana State Employees' Retirement System, Teachers' Retirement System of Louisiana, Louisiana School Employees' Retirement System, or Louisiana State Police Retirement System) or they retire

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303. Benefit provisions are established under RS 42:821 for life insurance benefits and LRS 42:851 for health insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended under the authority of R.S. 42:802.

Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers several different plan options for both active and retired employees. OGB offered to retirees under age 65 four self-insured healthcare plans and one fully insured plan. Effectively January 1, 2019, retired employees who have Medicare Part A and Part B coverage had access to these plans and an additional four fully insured Medicare Advantage plans.

Monthly Contribution

Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement.

Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

<u>OGB Participation</u>	<u>Retiree Share</u>	<u>State Share</u>
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

Life Insurance Benefits:

	Basic	Supplemental Maximum
Under age 65	\$5,000	\$50,000
Ages 65-70	\$4,000	\$38,000
After age 70	\$3,000	\$25,000

Age Reductions:

In force life insurance amounts are reduced to 75% of the initial value at age 65 and to 50% of the original amount at age 70.

Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available.

Retiree Cost Share:

Retiree pays 50% of the Prudential Company of America premium.

Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Premiums vary by age.

Employer contributions for health premiums of retired employees for the fiscal year ended June 30, 2021, totaled \$2,422,871.

Funding Policy

The plan is currently financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments due.

Total OPEB Liability, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the School Board reported a liability of \$78,005,225 for its proportionate share of the total OPEB Liability. The total OPEB liability was measured as of July 1, 2020, and was determined by an actuarial valuation as of that date. The School Board's proportionate share of the restated total collective OPEB liability at June 30, 2020 was \$73,528,374. The total OPEB liability as of July 1, 2019 was determined based on a roll backward of the July 1, 2020 valuation assuming no gains or losses due to experience.

As of July 1, 2020, the School Board's current year proportion was 0.014752 percent. This was an increase of 0.000137 percent from the proportionate share as of the measurement date of June 30, 2019.

For the year ended June 30, 2021, the School Board recognized total OPEB expense of \$1,431,111 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the followings sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,795,846	\$ 768,548
Changes in assumptions	411,858	7,991,691
School board contributions subsequent to the measurement date	<u>2,422,871</u>	
Total	<u>\$ 5,630,575</u>	<u>\$ 8,760,239</u>

Deferred outflows of resources related to OPEB resulting from the School Board's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

Year Ending June 30:

2022	\$ (3,011,570)
2023	(2,248,836)
2024	(701,635)
2025	<u>409,506</u>
Total	\$ <u>(5,552,535)</u>

Actuarial Assumptions and other inputs - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00% including inflation
Discount rate	2.21% annually (Beginning of Year to Determine ADC)
	2.16% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.50% annually for ten years, 4.50% thereafter
Mortality	SOA RP-2000 Table

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

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

Participation

Medical: The percentage of employees and their dependents who are eligible for early retiree benefits that will participate in the retiree medical plan is outlined in the table below.

Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement. This assumption has been updated since the prior valuation based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

<u>Years of Service</u>	<u>Participation Percentage</u>
<10	33%
10-14	60%
15-19	80%
20+	88%

Life Insurance: Future retirees are assumed to participate in the life insurance benefit at a 36% rate. This assumption has been updated since the prior valuation based on a review of OPEB experience from July 1, 2017 through June 30, 2020. Future retirees are assumed to elect a total of \$45,000 in basis life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The actuarial assumptions used by the pension plans covering the same participants were used for the retirement, termination, disability and salary scale assumptions.

Changes of assumptions and other inputs from the prior valuation include the following:

- The discount rate has decreased from 2.79% to 2.66% since the previous valuation, which increased the Plan's liability.
- Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, we do not believe this experience is reflective of what we can expect in future years.
- The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.
- Several demographic assumptions have been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.
 - Medical participation rates have been decreased since the previous valuation, as shown on page 19 of this report. This change decreased the Plan's liability.
 - The life participation rate has been decreased from 52% to 36% since the previous valuation, which decreased the Plan's liability.
 - The age difference between future retirees and their spouses has been updated since the previous valuation, as described on page 20 of this report. This change increased the Plan's liability.
 - The assumed percent of participants assumed to be Medicare-eligible upon reaching age 65 has been updated since the previous valuation, as described on page 21 of this report. This change increased the Plan's liability.
 - Medical plan election percentages have been updated since the previous valuation, as shown on page 20 of this report. This change contributed towards the decrease in the Plan's liability associated with updating baseline per capita costs (PCCs) and premiums.

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

	1.0% Decrease	Current Discount Rate	1.0% Increase
	-1.16%	-2.16%	-3.16%
Total OPEB Liability	\$ 92,140,756	78,005,225	66,904,309

Sensitivity of the proportionate share of the total collective 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	Current Healthcare Cost Trend Rates	1.0% Increase
	4.50%	5.50%	6.50%
Total OPEB Liability	\$ 66,307,158	78,005,225	93,214,584

The State of Louisiana issued an actuarial valuation report as of July 1, 2020. Access to the audit report can be found on the Statement of Louisiana Division of Administration official website at www.doa.la.gov/osrap.

10. ACCOUNTS PAYABLE, SALARIES PAYABLE, AND OTHER PAYABLES

Payables of \$8,098,459 at June 30, 2021, are as follows:

	General Fund	Other Governmental Funds	Total
Salaries and withholdings	\$ 6,219,432	1,509,916	\$ 7,729,348
Accounts payable	44,369	310,909	355,278
Other	11,068	2,765	13,833
Total	<u>\$ 6,274,869</u>	<u>1,823,590</u>	<u>\$ 8,098,459</u>

11. COMPENSATED ABSENCES

At June 30, 2021, employees of the School Board have accumulated and vested \$1,020,468 of employee leave benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

12. LONG-TERM OBLIGATIONS

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

	Balance, July 1, 2020	Retirements	Balance, June 30, 2021	Due within one year
Bonds payable	\$ 22,786,000	1,413,000	21,373,000	1,367,000
Lease Purchase - Buses	346,988	171,318	175,670	175,670
Certificates of Indebtedness	94,000	46,000	48,000	48,000
Compensated Absences	1,077,137	56,669	1,020,468	51,023
Total	<u>\$ 24,304,125</u>	<u>1,686,987</u>	<u>22,617,138</u>	<u>1,641,693</u>

All School Board bonds outstanding at June 30, 2021, for \$21,373,000, are general obligation or sales tax bonds. The individual issues are as follows:

Bond Issue	Original Issue Amount	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding	Funding Source
General Obligation:						
Zwolle, 10/20/2010	1,000,000	.1% to 4.95%	3/1/2030	\$ 98,813	\$ 626,000	Sabine State Bank
Ebarb #17 Refunding 02/03/2017	941,000	.1% to 3.95%	3/1/2037	270,034	785,000	Sabine State Bank
Many #34 Refunding, 4/3/2006	3,240,000	3.95% to 4.15%	3/1/2026	54,828	966,000	Whitney Bank
Many School District#34, 03/19/2014	17,225,000	2% to 4%	3/1/2034	3,844,575	13,210,000	Whitney Bank
Zwolle #61 07/20/2018	4,700,000	2% to 5%	3/1/2038	1,707,238	4,550,000	Sabine State Bank
Many #1 Sales Tax 8/9/2018	1,500,000	0.875% to 4%	8/1/2028	144,699	1,236,000	Sabine State Bank
Total Bonds				<u>\$ 6,120,187</u>	<u>\$ 21,373,000</u>	

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 2021, the School Board has accumulated \$1,123,539 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2022	\$ 1,367,000	748,476	2,115,476
2023	1,417,000	705,454	2,122,454
2024	1,473,000	659,324	2,132,324
2025	1,532,000	610,814	2,142,814
2026	1,587,000	568,782	2,155,782
2027 - 2031	7,437,000	2,092,661	9,529,661
2032 - 2036	5,735,000	686,896	6,421,896
2037 - 2038	825,000	47,780	872,780
Total	<u>\$ 21,373,000</u>	<u>\$ 6,120,187</u>	<u>\$ 27,493,187</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2021, the statutory limit is \$75,338,123, and outstanding bonded debt totals \$21,373,000.

In addition, the School Board is legally restricted from incurring long-term bonded debt secured

SABINE PARISH SCHOOL BOARD

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Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

by sales and use taxes in excess of 75% of the avails of the tax. The School Board was within this 75% limitation in 2001 and 2006, when the sales tax bonds were issued.

The individual Certificates of Indebtedness are as follows:

<u>Certificate of Indebtedness</u>	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
Ebarb School Improvement, 7/31/2008	\$ 500,000	4.09%	8/1/2021	\$ -	\$ 48,000	Hancock Bank, LPFA

The certificates are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>
2022	\$ <u>48,000</u>

The Lease Purchase – Buses is as follows:

<u>Lease Purchase - Buses</u>	<u>Original Issue Amount</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
Leased Property - Buses	\$ 857,131	2.54%	8/8/2021	\$ 4,462	\$ 175,670	Municipal Capital Markets Group, Inc.

The lease is due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2022	\$ <u>175,670</u>	<u>4,462</u>	<u>180,132</u>

Defeased Debt:

In prior years, the School Board defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board’s financial statements. On June 30, 2021, a total of \$0 bonds outstanding is considered defeased.

13. INTER-FUND TRANSFERS

The following is a summary of inter-fund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental	\$ 836,799
Other Governmental	General Fund	7,888
Other Governmental	Other Governmental	<u>3,686,770</u>
Total		<u>\$ 4,531,457</u>

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

The purpose of the transfers was to provide funds for general operating activities. All transfers were routine and consistent with the fund making the transfer.

14. RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the School Board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

With respect to injuries to employees (worker's compensation), the School Board has initiated a risk management program for worker's compensation insurance. Operation of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$400,000 with an aggregate limit of \$3,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.

15. CONTINGENCIES

Federal Grants - The school board has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the school board.

Litigation - The School Board's legal counsel has reviewed the School Board's claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any of the amount or range of potential loss to the School Board. The applicable cases are all under the same occurrence, and all claims are subject to the single limit of coverage in the amount of \$1 million, and the Sabine Parish School Board has a \$25,000 deductible that will apply.

16. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue.

The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$26,555,553 to the

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2021

School Board, which represents approximately 42% of the School Board's total revenue for the year.

17. OTHER MATTERS

The onset of the recent COVID-19 pandemic has resulted in a volatile investment market currently. The resulting impact of this pandemic upon the operations of the Board is uncertain at this time.

18. EFFECT ON DEFERRED AMOUNTS ON NET POSITION

The unrestricted net position amount of (\$103,515,914) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflows of resources related to pension in the amount of \$11,761,949 resulting from the school board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The \$6,774,240 balance of deferred outflow of resources, at June 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next few years.

The unrestricted net position amount of (\$103,515,914) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$2,972,507 balance of deferred inflow of resources, at June 30, 2021 will be recognized as a revenue and will increase the unrestricted net position over the next few years.

The unrestricted net position amount of (\$103,515,914) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. The \$5,630,575 balance of deferred outflow of resources, at June 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next few years.

The unrestricted net position amount of (\$103,515,914) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$8,760,239 balance of deferred inflow of resources at June 30, 2021 will be recognized as a revenue and will increase the unrestricted net position over the next few years.

19. PRIOR PERIOD ADJUSTMENTS

A summary of significant Net Position adjustment is as follows:

Exhibit B - Statement of Activities

<u>Explanation</u>	<u>Amount</u>
1 Adjustments were made to properly present capital assets at year end.	\$ (15,987)
2 Adjustments were made to properly present OPEB at year end.	(103,635)
Total	<u>\$ (119,622)</u>

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

20. SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Sabine Parish School Board evaluated the activity of the board through the date the financial statements were available to be issued and determined the following subsequent event has occurred requiring disclosure in the notes to the financial statement:

On January 11, 2022, the school district issued a general obligation refunding bond, Many District No. 34 in the amount of \$11,745,000 with a 2-2.3% interest rate. It will mature on March 1, 2034.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

Budgetary Comparison Schedule

GENERAL FUND: The general fund accounts for all activities of the School Board except those activities that are accounted for in other funds.

SABINE PARISH SCHOOL BOARD
Many, Louisiana
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (Budgetary Basis)	VARIANCE WITH FINAL BUDGET Positive (Negative)
	ORIGINAL	FINAL		
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 1,266,618	1,352,205	1,449,629	97,424
Sales and use	8,354,280	8,470,000	9,908,555	1,438,555
Interest earnings	409,091	151,664	173,814	22,150
Other	648,766	249,595	352,072	102,477
Total local sources	<u>10,678,755</u>	<u>10,223,464</u>	<u>11,884,070</u>	<u>1,660,606</u>
State sources:				
Minimum Foundation Program	27,334,627	26,509,043	26,505,553	(3,490)
Other	1,333,332	1,148,950	1,175,609	26,659
Total state sources	<u>28,667,959</u>	<u>27,657,993</u>	<u>27,681,162</u>	<u>23,169</u>
Federal sources		13,238	75,788	62,550
Total Revenues	<u>39,346,714</u>	<u>37,894,695</u>	<u>39,641,020</u>	<u>1,746,325</u>
Expenditures:				
Instruction:				
Regular programs	17,654,830	16,986,881	16,750,783	236,098
Special programs	5,132,780	5,215,107	5,076,062	139,045
Vocational programs	1,467,693	1,515,246	1,491,876	23,370
All other programs	1,798,108	1,771,587	1,707,484	64,103
Support services:				
Student services	2,095,546	2,095,529	2,076,914	18,615
Instructional staff support	2,008,134	1,855,932	1,825,737	30,195
General administration	923,227	940,396	862,283	78,113
School administration	2,726,347	2,762,615	2,714,417	48,198
Business services	709,316	702,437	616,633	85,804
Plant services	1,140,006	1,129,349	826,654	302,695
Student transportation services	3,127,942	3,433,906	3,197,097	236,809
Central services	1,194,061	1,077,155	1,011,321	65,834
School food services	91,222	167,665	156,372	11,293
Community service programs	16,897	17,255	17,262	(7)
Capital outlay	135,000	166,470	393,095	(226,625)
Debt service:				
Principal retirement			171,318	(171,318)
Interest and bank charges			8,813	(8,813)
Total Expenditures	<u>40,221,109</u>	<u>39,837,530</u>	<u>38,904,121</u>	<u>933,409</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(874,395)</u>	<u>(1,942,835)</u>	<u>736,899</u>	<u>2,679,734</u>
Other Financing Sources (Uses)				
Proceeds from disposal of real property	1,863	4,589	11,724	7,135
Sale of property assets		1,009		(1,009)
Local revenue transfers - charter schools			(67,193)	(67,193)
Transfers in	8,952,644	9,749,217	836,799	(8,912,418)
Transfers out	(8,882,115)	(9,281,494)	(7,888)	9,273,606
Total Other Financing Sources (Uses)	<u>72,392</u>	<u>473,321</u>	<u>773,442</u>	<u>300,121</u>
Net Change in Fund Balances	(802,003)	(1,469,514)	1,510,341	2,979,855
July 1, 2020	22,121,970	22,141,507	22,147,459	5,952
June 30, 2021	\$ <u>21,319,967</u>	<u>20,671,993</u>	<u>23,657,800</u>	<u>2,985,807</u>

The notes to the required supplementary information are an integral part of this schedule.

Sabine Parish School Board

Schedule of the School Board's Proportionate Share of the Net Pension Liability
LSERS
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School Board's proportionate share of the net pension liability	\$ 5,423,245	4,302,048	4,116,849	3,779,115	4,263,292	3,795,941	3,389,516
School Board's proportion of the net pension liability	0.6750%	0.6145%	0.6162%	0.5906%	0.5652%	0.5986%	0.5847%
School Board's covered payroll	2,038,276	1,803,007	1,483,100	1,701,037	1,643,113	1,662,479	1,674,768
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	266.07%	238.60%	277.58%	222.17%	259.46%	228.33%	202.39%
Plan fiduciary net position as a percentage of the total pension liability	69.67%	73.49%	74.44%	75.03%	70.09%	74.49%	76.18%

The notes to the required supplementary information are an integral part of this schedule.

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is the School Board has compiled, only presented information for the years in which information is available.

Sabine Parish School Board
Schedule of the School Board Contributions
LSERS
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 617,374	599,253	504,842	489,423	464,383	496,220	548,618
Contributions in relation to the contractually required contribution	617,374	599,253	504,842	489,423	464,383	496,220	548,618
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Board's covered payroll	1,870,830	2,195,066	1,671,662	1,483,100	1,701,037	1,643,113	1,662,479
Contributions as a percentage of covered payroll	33.00%	27.30%	30.20%	33.00%	27.30%	30.20%	33.00%

The notes to the required supplementary information are an integral part of this schedule.

Sabine Parish School Board
Schedule of the School Board's Proportionate Share of the Net Pension Liability
TRSL
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
School Board's proportionate share of the net pension liability	\$ 55,113,954	47,586,574	48,638,164	48,404,034	57,083,422	51,280,836	48,752,152
School Board's proportion of the net pension liability	0.49547%	0.47936%	0.49477%	0.47394%	0.48636%	0.47693%	0.47696%
School Board's covered payroll	23,674,535	22,350,449	22,098,647	22,079,722	21,872,627	21,964,825	19,227,783
School Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	232.80%	212.91%	220.10%	219.22%	260.98%	233.47%	253.55%
Plan fiduciary net position as a percentage of the total pension liability	65.61%	68.57%	68.17%	65.55%	59.90%	62.47%	63.65%

The notes to the required supplementary information are an integral part of this schedule.

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the School Board has only presented information for the years in which information is available.

Sabine Parish School Board
Schedule of School Board Contributions
TRSL
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 6,156,866	6,155,379	5,967,570	5,878,240	5,630,329	5,752,501	6,150,151
Contributions in relation to the contractually required contribution	6,156,866	6,155,379	5,967,570	5,878,240	5,630,329	5,752,501	6,150,151
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Board's covered payroll	23,863,822	23,674,535	22,350,449	22,098,647	22,079,722	21,872,627	21,964,825
Contributions as a percentage of covered payroll	25.80%	26.00%	26.70%	26.60%	25.50%	26.30%	28.00%

The notes to the required supplementary information are an integral part of this schedule.

Sabine Parish School Board

Schedule of Changes in the Total OPEB Liability and Related Ratios

OPEB

Last 10 Fiscal Years*

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 2,358,990	2,534,065	2,774,187	2,990,003
Interest	2,083,691	2,374,272	2,562,916	2,297,995
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	1,936,799	2,164,365	(2,049,460)	-
Changes in Assumptions or Other Inputs	520,242	(9,445,479)	(2,763,031)	(5,461,501)
Benefit Payments	(2,422,871)	(2,458,604)	(2,526,506)	(2,526,506)
Net change in Total OPEB Liability	\$ 4,476,851	(4,831,381)	(2,001,894)	(2,700,009)
Total OPEB Liability - beginning	\$ 73,528,374	\$ 78,359,755	\$ 80,361,649	\$ 83,061,658
Total OPEB Liability - ending	\$ 78,005,225	\$ 73,528,374	\$ 78,359,755	\$ 80,361,649
Covered-Employee Payroll	\$ 21,241,538	\$ 19,527,000	\$ 19,459,090	\$ 19,140,749
Total OPEB Liability as a percentage of covered-employee payroll	367.2%	376.5%	402.7%	419.8%

The notes to the required supplementary information are an integral part of this schedule.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board has only presented information for the years in which information is available.

Sabine Parish School Board

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

A. BUDGETS

General Budget Practice: 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 include the original and adopted budget and all subsequent amendments. These revisions were not considered significant.

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 budgets 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.

B. PENSION SCHEDULES

Louisiana School Employees' Retirement System (LSERS)

2015

1. Changes of benefit provisions

None.

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2021

2. Changes of assumptions

The expectation of retired life mortality was changed to the RP-2000 Combined Healthy Sex Distinct Mortality Table, rather than the RP-2000 Sex Distinct Mortality Table.

2016

1. Changes of benefit provisions

None

2. Changes of assumptions

The price inflation and investment rate of return assumptions were changed from 2.75% to 2.625% per annum and from 7.0% to 7.125%, respectively.

The expectation of retired life mortality was changed to the RP-2000 Sex Distinct Mortality Table rather than the RP-2000 Combined Healthy Sex Distinct Mortality Table.

The assumed rates of salary from the 2008-2012 experience study increased to a range of 3.075% to 5.375% from 3.2% to 5.5% in 2015.

2017

1. Changes of benefit provisions

None

2. Changes of assumptions

The expectation of retired life mortality was changed to the RP-2000 Sex Distinct Mortality Table and RP-2000 Disabled Lives Mortality Table rather than just the RP-2000 Sex Distinct Mortality Table.

2018

1. Changes of benefit provisions

None.

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2021

2. Changes of assumptions

As a result of the experience study, the Board of Trustees approved a reduction in the discount rate to 7.0% over the next two years. As a result, the discount rate decreased from 7.125% as of June 30, 2017, to 7.0625% as of June 30, 2018.

The inflation rate decreased from 2.625% annum as of June 30, 2017, to 2.50% annum as of June 30, 2018.

The mortality assumption was updated to reflect the results of the new experience study and was based on the RP-2014 Healthy Annuitant, Sex Distinct Employee, and Sex Distinct Disabled Lives mortality tables with generational projections using the full generational scale MP2017. The previous valuation set mortality from the RP-2000 Combined Healthy Sex Distinct and Disabled Lives mortality tables with no projection scale.

The salary increase assumption was updated to 3.25% as of June 30, 2018, to reflect the results of the new experience study and change to the inflation rate. The previous valuation included a range of 3.075% to 5.375%.

2019

1. Changes of benefit provisions

None

2. Changes of assumptions

The mortality rate was changed to the RP-2014 Sex Distinct Mortality Table. The previous valuation set mortality from the RP-2000 Sex Distinct Disabled Tables.

The investment rate of return assumptions were changed from 7.0625% to 7.00%.

2020

1. Changes of benefit provisions

None

2. Changes of assumptions

Mortality rates – RP-2014 Healthy Annuitant Tables, RP-2014 Sex Distinct Employee Table and RP-2014 Sex Distinct Mortality Table

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)
For the Year Ended June 30, 2021

Teachers' Retirement System of Louisiana (TRSL)

2015

1. Changes of benefit provisions

None

2. Changes of assumptions

None

2016

1. Changes of benefit provisions

None

2. Changes of assumptions

None

2017:

1. Changes of benefit provisions

None

2. Changes of assumptions

The investment rate of return assumptions were changed from 7.75% to 7.70%.

2018:

1. Changes of benefit provisions

None

2. Changes of assumptions

The investment rate of return assumption was changed from 7.70% to 7.65%.

The projected salary increases changed from 3.50% - 10.0% to 3.3% - 4.8% varies depending on duration of service.

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2021

The expectation of retired life mortality assumption changed from Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA to:

- Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.
- Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.
- Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.
- These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

The termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 –June 30, 2017) experience study of the System’s members rather than (2008-2012).

2019:

1. Changes of benefit provisions

None

2. Changes of assumptions

The investment rate of return assumption was changed from 7.65% to 7.55%.

2020:

1. Changes of benefit provisions

None

2. Changes of assumptions

The investment rate of return assumption was changed from 7.55% to 7.45%.

The inflation rate decreased from 2.5% annum as of June 30, 2019, to 2.3% per annum as of June 30, 2020.

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2021

The projected salary increases changed from 3.3% - 4.8% to 3.1% - 4.6% varies depending on duration of service.

Other Post-Employment Benefits (OPEB) Schedules

2017:

1. Benefit Changes

None.

2. Changes of assumptions

The discount rate changed from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017.

2018:

1. Benefit Changes

None.

2. Changes of assumptions

The discount rate changed from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018.

Baseline per capita costs were updated to reflect 2018 claims and enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revisited, reflecting updating plan premiums.

Demographic assumptions were revised for the Louisiana State Police Retirement System, the Louisiana School Employees' Retirement System, and the Teachers' Retirement System of Louisiana to reflect recent experience studies. The mortality assumption for the Louisiana State Employees' Retirement System was updated from the RP-2014 Healthy Annuitant and Employee tables for males and females with generational projections using projection scale MP-2017 to the RP-2014 Healthy Annuitant and Employee tables for males and females using projection scale MP-2018.

The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2021

2019:

1. Benefit Changes

None.

2. Changes of assumptions

The discount rate has been decreased from 2.98 percent in 2018, the prior valuation, to 2.79 percent in 2019, the current valuation.

Baseline per capita costs were adjusted to reflect 2019 claims and enrollment, retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected. In addition of future Employee Group Waiver Plan (EGWP) savings was increased, based on an analysis of recent EGWP experience.

Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates.

The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019.

The potential impact of the COVID-19 pandemic on the July 1, 2019 liabilities was considered including the following: 1. The potential increase in incurred claims resulting from a higher volume of PCP, ER, urgent care, and telehealth visits related to COVID-19 testing and treatment, and 2. The potential decrease in incurred claims due to a short-term reduction in utilization of medical and dental preventative care, elective or non-critical procedure, and other services that can be considered discretionary, and;

The potential impact of higher than expected mortality related to COVID-19. Due to the lack of experience data and the offsetting nature of the items listed and the long-term nature of the liability projections no explicit adjustments were made to the calculations.

2020:

1. Benefit Changes

None.

2. Changes of assumptions

The discount rate has decreased from 2.79% to 2.66%.

Sabine Parish School Board

Notes to the Required Supplementary Information (Continued)

For the Year Ended June 30, 2021

Baseline per capita costs (PCCs) were updated to reflect 2020 claims and enrollment for the prescription drug costs and retiree contributions were updated based on 2021 premiums. 2020 medical claims and enrollment experience were reviewed but not included in the projection of expected 2021 plan costs. Due to the COVID-19 pandemic, we do not believe this experience is reflective of what we can expect in future years.

The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.

Medical participation rates, life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan election percentages have all been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

SUPPLEMENTARY INFORMATION

SABINE PARISH SCHOOL BOARD
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2021

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Assets				
Cash and cash equivalents	\$ 5,974,159	\$ 1,122,502	\$ 4,049,068	\$ 11,145,729
Receivables	3,846,564	1,037	73,739	3,921,340
Due from other funds	162,751	-	-	162,751
Inventory	65,016	-	-	65,016
Other current assets	67,871	-	-	67,871
Total Assets	<u>\$ 10,116,361</u>	<u>\$ 1,123,539</u>	<u>\$ 4,122,807</u>	<u>\$ 15,362,707</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts, salaries, and other payables	1,823,590	-	-	1,823,590
Due to other funds	2,380,004	-	-	2,380,004
Total Liabilities	<u>4,203,594</u>	<u>-</u>	<u>-</u>	<u>4,203,594</u>
Fund Balances:				
Restricted:				
Debt Service	-	1,123,539	-	1,123,539
Capital Projects	-	-	4,122,807	4,122,807
Food Service	1,107,806	-	-	1,107,806
Other purposes	4,804,961	-	-	4,804,961
Total Fund Balances	<u>5,912,767</u>	<u>1,123,539</u>	<u>4,122,807</u>	<u>11,159,113</u>
Total Liabilities and Fund Balances	<u>\$ 10,116,361</u>	<u>\$ 1,123,539</u>	<u>\$ 4,122,807</u>	<u>\$ 15,362,707</u>

SABINE PARISH SCHOOL BOARD
Many, Louisiana
NONMAJOR GOVERNMENTAL FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2021

	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues				
Local sources:				
Taxes:				
Ad valorem	\$ 3,684,733	\$ 2,036,476	\$ 664,787	\$ 6,385,996
Sales and use	1,437,729	471,243	567,561	2,476,533
Interest earnings	20,045	2,221	10,136	32,402
Charges for services	1,819,508	-	-	1,819,508
Other	30,347	-	-	30,347
Total Local Sources	<u>6,992,362</u>	<u>2,509,940</u>	<u>1,242,484</u>	<u>10,744,786</u>
State sources:				
Minimum Foundation Program	50,000	-	-	50,000
Other	113,551	-	-	113,551
Total State Sources	<u>163,551</u>	<u>-</u>	<u>-</u>	<u>163,551</u>
Federal Sources	<u>13,143,509</u>	<u>-</u>	<u>-</u>	<u>13,143,509</u>
Total Revenues	<u>20,299,422</u>	<u>2,509,940</u>	<u>1,242,484</u>	<u>24,051,846</u>
Expenditures				
Current:				
Instruction:				
Regular programs	2,853,617	-	5,527	2,859,144
Special programs	459,824	-	-	459,824
Vocational programs	46,935	-	-	46,935
All other programs	4,121,840	-	-	4,121,840
Support services:				
Student services	366,503	-	-	366,503
Instructional staff support	2,057,097	-	-	2,057,097
General administration	180,815	75,165	21,271	277,251
School administration	374,391	-	-	374,391
Business services	48,068	-	-	48,068
Plant services	5,577,758	-	19,427	5,597,185
Central services	256,448	-	-	256,448
School food services	3,014,463	-	-	3,014,463
Community service programs	48,289	-	-	48,289
Capital outlay	12,213	-	1,437,758	1,449,971
Debt service:				
Principal retirement	-	1,459,000	-	1,459,000
Interest and bank charges	-	795,416	-	795,416
Total expenditures	<u>19,418,261</u>	<u>2,329,581</u>	<u>1,483,983</u>	<u>23,231,825</u>
Excess (Deficiency) of Revenues				
Over (Unde) Expenditures	881,161	180,359	(241,499)	820,021
Other Financing Sources (Uses)				
Proceeds from disposal of real property	2,564	-	-	2,564
Operating transfers in	3,694,658	-	-	3,694,658
Operating transfers out	(4,400,808)	(122,761)	-	(4,523,569)
Total other financing sources (uses)	<u>(703,586)</u>	<u>(122,761)</u>	<u>-</u>	<u>(826,347)</u>
Net Changes in Fund Balances	<u>177,575</u>	<u>57,598</u>	<u>(241,499)</u>	<u>(6,326)</u>
Fund Balances - July 1, 2020	5,735,192	1,065,941	4,364,306	11,165,439
Fund Balances - June 30, 2021	<u>\$ 5,912,767</u>	<u>\$ 1,123,539</u>	<u>\$ 4,122,807</u>	<u>\$ 11,159,113</u>

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SUPPLEMENTARY INFORMATION SCHEDULES
As of and for the Year Ended June 30, 2021

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue:

Food Service Fund: To assist, through cash grants and food donations, in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Preschool Grants: To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children from 3 to 5 years old.

Title II: The purpose of the program is to increase academic achievement by improving the quality and effectiveness of teachers, principals and other school leaders. This program is carried out by: increasing the number of teachers, principals and other school leaders who are effective in improving student academic achievement in schools.

Head Start: To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

School-Based Mental Health: This program provides grants to SEAs, LEAs, and Indian tribes for the purpose of increasing student access to quality mental health care by developing innovative programs that link school systems with local mental health systems.

Indian Education: This program is designed to address the unique education and culturally related academic needs of American Indian and Alaska Native students, including preschool children, so that these students can achieve to the same challenging state performance standards expected of all students. The program is the Department's principal vehicle for addressing the particular needs of Indian children.

IDEA (Special Education Grants): Funds are used by State and local educational agencies, in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services.

Vocational Education: To develop more fully the academic, career, and technical skills of secondary and post-secondary students who elect to enroll in career and technical education programs.

Temporary Assistance to Needy Families: To provide grants to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

English Language Acquisition: To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaska Native children with certain modifications relative to the unique status of native American language under Federal Law; to award competitive grants in order to provide professional development activities to improve classroom instruction for LEP children.

Title I: To help local educational agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.

Gaining Early Awareness and Readiness for Undergraduate Programs: Provides 6-year grants to States and partnerships to provide support and maintain a commitment to eligible low-income students, including students with disabilities, to help the students obtain a secondary school diploma (or its recognized equivalent) and to prepare for and succeed in post-secondary education. GEAR UP has two major service components. All projects provide a comprehensive set of early intervention services including mentoring, tutoring, academic and career counseling, parental involvement, and other college preparation activities like exposure to college campuses and financial aid information and assistance. Some projects provide college scholarships to participating students.

Debt Service:

- Florien (School Board 1)
- Negreet (School Board 2)
- Many (School Board 3-5)
- Pleasant Hills (School Board 6)
- Converse (School Board 7)
- Zwolle (School Board 8)
- Ebarb (School Board 9)

The debt service funds are used to account for the accumulation of resources to pay the principal and interest on the School Board's long-term debt.

Capital Projects Funds:

- Negreet (School Board 1)
- Many (School Boards 3-5)
- Converse (School Board 7)
- Zwolle (School Board 8)
- Ebarb (School Board 9)

The capital projects funds for these School Boards are used to account for major capital acquisitions or construction.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Schedule of Changes in Deposit Balances of Individual School Activity Funds
For the Year Ended June 30, 2021

School	Beginning Balance	Additions	Reductions	Ending Balance *
Converse	\$ 66,664	\$ -	\$ 66,664	\$ -
Ebarb	60,934		60,934	0
Florien	97,925		97,925	0
Headstart	5,547		5,547	0
Many	197,091		197,091	0
Negreet	64,175		64,175	0
Pleasant Hill	64,561		64,561	0
Spark	2,243		2,243	0
Zwolle	100,105		100,105	0
Total School Activity Funds	<u>\$ 659,245</u>	<u>\$ -</u>	<u>\$ 659,245</u>	<u>\$ -</u>

* GASB 84, *Fiduciary Activities*, was implemented during the fiscal year 2021.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

CAPITAL ASSETS

Schedule of Capital Assets by Function

June 30, 2021

<u>Function</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Instructional services	\$ 273,984	62,757,206	2,954,863	\$ 65,986,053
Support services	73,711	6,217,809	3,100,435	9,391,955
School food services	2,553	322,607	228,177	553,337
Total	<u>\$ 350,248</u>	<u>69,297,622</u>	<u>6,283,475</u>	<u>\$ 75,931,345</u>

Schedule of Changes in Capital Assets by Function

For the Year Ended June 30, 2021

<u>Function</u>	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2021</u>
Instructional services	\$ 63,517,237	2,468,816	-	\$ 65,986,053
Support services	10,032,515	-	640,560	9,391,955
School food services	553,337	-	-	553,337
Total	<u>\$ 74,103,089</u>	<u>2,468,816</u>	<u>640,560</u>	<u>\$ 75,931,345</u>

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Schedule of Compensation Paid Board Members

For the Year Ended June 30, 2021

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment of compensation. Under this method, each member of the School Board receives \$600 per month. In addition, the president receives \$100 per month for exercising the duties of the office.

James Daron Chandler	\$ 7,200
Spencer Faust	7,200
Terrell Snelling	8,400
William D. Garcie	7,200
Leah V. Byles	7,200
Jessie Dale Skinner	7,200
Genevieve Gordon	7,200
Kowonno Greene	7,200
Donald Remedies	<u>7,200</u>
Total	<u>\$66,000</u>

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
Year Ended June 30, 2021

Agency Head Name: Dr. Sara P. Ebarb, Superintendent

Purpose		Amount
Salary	\$	158,045
Benefits - insurance		11,985
Benefits - retirement		43,327
Benefits - life		276
Medicare		2,302
Car allowance		9,888

SABINE PARISH SCHOOL BOARD
Many, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	IDENTIFYING NUMBERS	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Louisiana Department of Education:			
National School Lunch Program	N/A	10.555	\$ 3,098,149
Total Passed-through Louisiana Department of Education			<u>3,098,149</u>
Direct Program			
Distance Learning and Telemedicine Loans and Grants		10.855	115,714
Distance Learning and Telemedicine Loans and Grants		10.855	155,166
Subtotal			<u>270,880</u>
Total United States Department of Agriculture			<u>3,369,029</u>
UNITED STATES DEPARTMENT OF EDUCATION			
Direct program:			
Indian Education Grants to Local Educational Agencies	S060A200108	84.060	211,912
Subtotal			<u>211,912</u>
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies	28-21-T1-43	84.010	1,761,305
Title I Grants to Local Educational Agencies	28-21-DSS-43	84.010	67,937
Title I Grants to Local Educational Agencies	28-20-RD19-43	84.010	127,949
Twenty-First Century Community Learning Centers	28-20-2C-43	84.287	614,328
Indian Education - Special Programs for Indian Children	S299A160055	84.299A	77,179
Special Education - State Personnel Development	28-18-P718-43	84.323A	52,171
Gaining Early Awareness and Readiness for Undergraduate Programs	LA GEAR UP	84.334S	581,382
Rural Education	28-21-RLIS-43	84.358	89,353
Supporting Effective Instruction State Grant	28-21-50-43	84.367	7,034
Comprehensive Literacy Development	28-18-SR04-43	84.371C	36,146
Comprehensive Literacy Development	28-20-ECLF-43	84.371C	50,000
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	28-20-GERF-43	84.425C	693,607
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I & II)	28-20-ESRF-43	84.425D	1,060,382
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I & II)	28-20ESRI-43	84.425D	220,300
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I & II)	28-21-ES2F-43	84.425D	795,700
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP III)	28-21-ESEB-43	84.425U	91,369
Subtotal			<u>6,326,142</u>
Special Education Cluster:			
Special Education - Grants to States	28-21-B1-43	84.027	1,076,121
Special Education - Grants to States	28-21-RH-43	84.027	12,293
Special Education - Grants to States	CONTRACT	84.027	48,004
Special Education - Preschool Grants	28-21-P1-43	84.173	10,379
Total Special Education Cluster			<u>1,146,797</u>
Total Passed-through Louisiana Department of Education			<u>7,472,939</u>
Total United States Department of Education			<u>7,684,851</u>
UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES			
Direct Programs:			
Every Student Succeeds Act/Preschool Development Grants		93.434	84,615
Child Care and Development Block Grant		93.575	12,616
Child Care and Development Block Grant		93.575	25,001
Child Care and Development Block Grant		93.575	15,385
Head Start		93.600	64,443
Head Start		93.600	1,629,897
Total United States Department of Health & Human Services			<u>1,831,957</u>
Total Expenditures of Federal Awards			<u>\$ 12,885,837</u>

The accompanying notes are an integral part of this schedule.

SABINE PARISH SCHOOL BOARD

Many, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the School Board under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School Board.

Note 2. Noncash Programs

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

Donated commodities of \$164,827 are included in the National School Lunch Program.

Note 3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements; however, the expenditures include transfers out. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Sabine Parish School Board has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

The identifying numbers for the School Board for the remaining were not available.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Sabine Parish School Board

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 Sabine Parish School Board, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Sabine Parish School Board's basic financial statements, and have issued our report thereon dated March 11, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sabine Parish 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 Sabine Parish School Board's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sabine Parish 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.

Fortenberry & Ballard, PC
March 11, 2022

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Sabine Parish School Board

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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.

Fortenberry & Ballard, PC
March 11, 2022

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SABINE PARISH SCHOOL BOARD
Many, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued: Unmodified.
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? No.
 - b. Significant deficiency(ies) identified? None reported.
3. Noncompliance material to financial statements noted? No.

Federal Awards:

4. Internal control over major programs:
 - a. Material weakness(es) identified? No.
 - b. Significant deficiency(ies) identified? None reported.
5. Type of auditor's report issued on compliance for major programs: Unmodified.
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No.
7. Identification of major programs:
 - a. Child Nutrition Cluster
CFDA# 10.555
 - b. Twenty-First Century Community Learning Centers
CFDA# 84.287
 - c. COVID -19 - Governor's Emergency Education Relief (GEER) Fund
CFDA# 84.425C

COVID-19 – Elementary and Secondary School Emergency Relief Fund
(ESSER I & II)
CFDA# 84.425D

COVID-19 – American Rescue Plan – Elementary and Secondary School
Emergency Relief (ARP III)
CFDA# 84.425U
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000.

9. Auditee qualified as low-risk auditee? No.

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements which is required to be reported by *Government Auditing Standards*.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to the federal awards.

**SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 CONTROL AND COMPLIANCE)**

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES TO THE
MANAGEMENT OF SABINE PARISH SCHOOL BOARD

Superintendent and School Board

To the Sabine Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Sabine Parish School Board; the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Sabine Parish School Board for the fiscal year ended June 30, 2021; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of Sabine Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

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

Comment: No findings were noted as a result of applying agreed upon procedures.

Class Size Characteristics (Schedule 2)

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

Comment: No findings were noted as a result of applying agreed upon procedures.

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

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

Comment: No findings were noted as a result of applying agreed upon procedures.

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).

Comment: No findings were noted as a result of applying agreed upon procedures.

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

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

Fortenberry & Ballard, PC
March 11, 2022

Certified Public Accountants

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2021

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 13,928,266	
Other Instructional Staff Activities	1,432,208	
Instructional Staff Employee Benefits	8,154,614	
Purchased Professional and Technical Services	451,841	
Instructional Materials and Supplies	861,276	
Total Teacher and Student Interaction Activities		\$ 24,828,205

Other Instructional Activities	174,342	
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Pupil Support Activities	2,076,914	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Activities		2,076,914

Instructional Staff Services	1,821,352	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,821,352

School Administration	2,714,417	
Less: Equipment for School Administration	-	
Net Instructional Staff Services		2,714,417

Total General Fund Instructional Expenditures		<u>31,615,230</u>
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Total General Fund Equipment Expenditures		<u>393,095</u>
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Certain Local Revenue Sources

Local Taxation Revenues:

Constitutional Ad Valorem Taxes	\$ 1,198,396	
Renewable Ad Valorem Taxes	4,180,298	
Debt Service Ad Valorem Taxes	2,036,476	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	209,070	
Result of Court Ordered Settlement (Ad Valorem)	203,477	
Penalties/Interest on Ad Valorem Taxes	7,908	
Sales and Use Taxes	12,347,724	
Penalties/Interest on Sales/Use Taxes	37,364	
Total Local Taxation Revenues		\$ <u>20,220,713</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 2,399	
Earnings from Other Real Property	7,648	
Total Local Earnings on Investment in Real Property		\$ <u>10,047</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	33,299	
Revenue Sharing - Other Taxes	113,551	
Total State Revenue in Lieu of Taxes		<u>146,850</u>

Nonpublic Textbook Revenue	\$ <u>0</u>
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Nonpublic Transportation Revenue	\$ <u>0</u>
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See Independent Accountant's Report

Class Size Characteristics
 As of October 1, 2020

School Type	Class Size Range							
	1-20		21-26		27-33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	15%	238	12%	39	0%		0%	
Elementary Activity Classes	3%	43	0%		0%		10%	4
Middle / Jr. High	2%	36	14%	46	11%	3	7%	3
Middle / Jr. High Activity Classes	0%	3	0%		7%	2	15%	6
High	18%	278	24%	76	28%	8	10%	4
High Activity Classes	5%	77	3%	10	18%	5	2%	1
Combination	47%	732	42%	135	36%	10	39%	16
Combination Activity Classes	10%	162	5%	17	0%		17%	7
Other	0%		0%		0%		0%	
	100%	1,569	100%	323	100%	28	100%	41