

LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2016

LIVINGSTON, LOUISIANA

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report	-	-	1 - 3
Required Supplemental Information			
Management's Discussion and Analysis	-	-	4 -24
Basic Financial Statements			
Government-Wide Financial Statements:			
Statement of Net Position (Deficit)	-	A	25
Statement of Activities	-	B	26
Fund Financial Statements:			
Balance Sheet - Governmental Funds	-	C	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Deficit)	-	D	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	-	E	29 - 30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	-	F	31
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	-	G	32 - 33
Statement of Fiduciary Net Position	-	H	34
Notes to Financial Statements	-	-	35 - 87

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Required Supplementary Information:			
Schedule of Proportionate Share of Net Pension Liability by Plan	1	-	88
Schedule of Contributions by Plan	2	-	89
Notes to Required Supplementary Information	-	-	90
Schedules Required by State Law (R.S. 24:514 Performance and Statistical Data):			
Independent Auditor's Report on Applying Agreed-Upon Procedures Report	-	-	91 - 93
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	3	-	94 - 95
Education Levels of Public School Staff	4	-	96
Number and Type of Public Schools	5	-	97
Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers	6	-	98
Public School Staff Data: Average Salaries	7	-	99
Class Size Characteristics	8	-	100
Louisiana Educational Assessment Program (LEAP)	9	-	101
The Graduation Exit Exam	10	-	102
iLEAP Tests	11	-	103 - 104
Other Supplementary Information:			
Major Capital Projects Fund - By District:			
Combining Balance Sheet - By District	12	-	105

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	13	-	106
Nonmajor Governmental Funds:			
Combining Balance Sheet	14	-	107
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	15	-	108 - 109
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Nonmajor Special Revenue Funds:			
Elementary and Secondary Education Act - Title I	16-1	-	110
Public Law 94-142 - Special Education	16-2	-	111
Maintenance of Schools	16-3	-	112
School Lunch	16-4	-	113
Special Federal Fund	16-5	-	114
Other Federal ESEA Fund	16-6	-	115
Debt Service Fund:			
Combining Balance Sheet - By District	17	-	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	18	-	117

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Fiduciary Funds:			
Combining Statement of Fiduciary Net Position	19	-	118
Schedules of Changes in Deposits Due Others:			
School Activity Fund	20-1	-	119 - 120
Sales Tax Fund	20-2	-	121
General:			
Schedule of Compensation Paid Board Members	21	-	122
Schedule of Compensation, Benefits, and Other Payments Paid to Superintendent	22	-	123
Schedule of Expenditures of Federal Awards and Notes	23	-	124 - 126
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 <i>Government Auditing Standards</i>	-		127 - 128
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	-		129 - 131
Schedule of Findings and Questioned Costs	-		132 - 133
Summary Schedule of Prior Audit Findings	-		134

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INDEPENDENT AUDITOR'S REPORT

President and Members of the
Livingston Parish School Board
Livingston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Livingston 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of June 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the Livingston Parish School Board June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability by plan, and the schedule of contributions by plan on pages 4 through 24 and 88 through 90 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 primary government financial statements that collectively comprise the Livingston Parish School Board's basic financial statements. The schedules listed in the table of contents as Schedules 3 through 22 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, identified in the Table of Contents as Schedule 23, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Schedules 12 through Schedule 22 and the schedule of expenditures of federal awards, Schedule 23, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Schedules 3 through Schedule 11 are schedules required by state law and have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2016, on our consideration of the Livingston Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livingston Parish School Board's internal control over financial reporting and compliance.

Respectfully submitted,

Harris J. Bougeois, CPA

Denham Springs, Louisiana
December 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

The Management's Discussion and Analysis (MD&A) of the Livingston Parish School Board provides an overview and overall review of the School System's financial activities for the fiscal year ended June 30, 2016. The intent of the MD&A is to look in layman's terms at the School System's financial performance as a whole. It should, therefore, be read in conjunction with the School System's Annual Financial Statements and the notes thereto.

The MD&A is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- ❖ Net assets increased by \$14,108,560 for the year ended June 30, 2016. As discussed below, the increase in net assets was the result of an increase in total assets of \$6,595,124 coupled with a decrease in total deferred outflows of resources of \$3,488,398, an increase in total liabilities of \$12,838,474, and a decrease of total deferred inflows of resources of \$23,840,308.
- ❖ Total assets increased by \$6,595,124 attributed to the following elements:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Amount Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 88,285,027	\$ 90,737,763	\$ (2,452,736)	(2.70)%
Receivables	9,962,101	10,570,637	(608,536)	(5.76)%
Inventory	1,733,760	1,369,430	364,330	26.60%
Capital Assets, Net of Accumulated Depreciation	<u>212,174,210</u>	<u>202,882,144</u>	<u>9,292,066</u>	4.58%
Total Assets	<u>\$ 312,155,098</u>	<u>\$ 305,559,974</u>	<u>\$ 6,595,124</u>	2.16%

Cash decreased due to costs incurred for capital projects and receivables decreased due to a decrease in amount due for federal and state grants/programs reimbursements. The inventory increase reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction within the Districts. Total capital outlay recorded in all funds in the current year amounted to \$18.9 million. At June 30, 2016, major incomplete construction projects in the Districts totaled \$12,076,471.

During the current fiscal year, the School System purchased 47 buses/vehicles at an approximate cost of \$2,000,000 and purchased other large equipment totaling over \$325,000.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

❖ Total Liabilities decreased \$12,838,474 due to the following items:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Amount Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Accounts, Salaries, and Other Payables	\$ 29,027,531	\$ 29,240,388	\$ (212,857)	(.73)%
Interest Payable	711,588	719,512	(7,924)	(1.10)%
Long-Term Liabilities	<u>453,561,455</u>	<u>440,502,200</u>	<u>13,059,255</u>	2.96%
 Total Liabilities	 <u>\$ 483,300,574</u>	 <u>\$ 470,462,100</u>	 <u>\$ 12,838,474</u>	 2.73%

General payables decreased in the short-term liabilities due to a decrease in accounts payable; and an increase in long-term liabilities due to the decrease of bonds payables, increase in capital lease payable, and an increase in compensated absences, both combined with the annual increase in Other Post-Employment Benefits liability and increase in net pension liabilities.

❖ General revenues increased by \$4,856,382 from fiscal year 2015 to fiscal year 2016. Primary increases and decreases are discussed below.

- Property tax revenue levied increased \$442,341 (2.59%)
- Sales and use tax revenue increased \$3,261,927 (7.81%)
- State revenue sharing decreased \$24,033 (-2.57%)
- The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$159,311,832. This is an increase of \$1,230,994 (0.78%) from the prior year. Since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of general fund expenditures must be spent on instructional activities), and (50% of all new MFP money received must go to increase teacher salaries). However, the State has not fully funded the 2.75% growth factor that is added into the MFP formula since the 2008/09 fiscal year resulting in a loss of state revenue for the past seven years.
- Other state revenue and grants decreased \$5,772 (-46.24%)
- Earnings on investments increased \$123,640 (19.77%)
- Net gain (loss) on sale of assets decreased \$117,354 (-1,290.03%)
- Miscellaneous revenues decreased \$55,361 (-78.46%).

❖ The largest expenditure of the School System continues to be payroll. This includes increases in benefit costs, primarily employer contributions to the retirement systems and health insurance programs. The next largest expenditure was construction costs which includes major additions and renovations to several facilities. Other large expenditures include the cost of fuel and food, the purchase of buses, and the cost of other postemployment benefits.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. Beginning on page 25, the "Basic Financial Statements" Section, consisting of the Statement of Net Position and the Statement of Activities, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2015/2016 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

By showing the change in net position for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The changes, which are discussed in this MD&A, may be financial or non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include increases in or erosion of the property or sales tax base within the Parish, student enrollment, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in-depth reporting of the School Board's financial position and the results of operations, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 27. The Fund Financial Statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as resources available for spending in future periods.

Fund Financial Statements also provide more in-depth data on the School Board's most significant fund, its General Fund. This fund is considered a "major fund" under GASB Statement No. 34. The relationship between governmental *activities* reported in the Basic Financial Statements and the governmental *funds* reported in the Fund Financial Statements are reconciled in the financial statements (See Statements D and F).

The Statement of Fiduciary Net Position - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 20-1 for school-by-school information on the School Activity Fund and Schedule 20-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2016.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 26, the cost of the School Board's *governmental* activities for the year ended June 30, 2016 was \$241,389,890. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$5,582,317 was paid by those who used or benefited from services rendered (e.g., charges for school lunches and summer school tuition) and \$26,480,438 was paid through various federal and state grants. The net cost of \$209,327,135, a 1.33% decrease over the prior year, was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2016. The "net cost" presentation allows Parish taxpayers to determine the remaining cost of the various categories which were borne by them, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

TABLE I
Total and Net Cost of Governmental Activities
Year Ended June 30, 2016 and 2015

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:				
Regular Education Programs	\$ 98,897,597	\$ 96,618,145	\$ 96,617,872	\$ 94,245,867
Special Education Programs	30,299,791	27,079,594	30,742,745	27,760,784
Vocational Education Programs	3,345,407	3,010,521	3,126,640	2,830,880
Adult Continuing Education Programs	216,118	23,710	238,215	40,481
Other Instructional Programs	10,089,132	2,824,281	10,323,904	3,987,839
Support Services:				
Student Services	13,976,411	11,871,702	13,973,393	12,354,744
Instructional Staff Support	8,652,068	5,451,840	8,143,090	5,820,389
General Administration	8,273,421	7,258,838	9,341,109	8,358,928
School Administration	13,879,215	13,627,808	14,139,162	13,973,986
Business Services	2,265,766	1,445,421	2,236,492	1,399,823
Plant Services	19,434,948	19,359,894	20,195,740	20,048,156
Student Transportation	13,922,819	13,683,065	14,019,076	13,827,172
Central Services	2,014,385	2,013,334	2,010,308	2,010,308
School Food Services	12,899,997	1,930,178	13,632,219	2,686,072
Community Service Programs	107,773	13,762	108,857	14,116
Interest on Long-Term Debt	3,115,042	3,115,042	2,796,620	2,796,620
Totals	\$ 241,389,890	\$ 209,327,135	\$ 241,645,442	\$ 212,156,165

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes, some parish-wide, some by individual districts, and some by site, (e.g., dedicated taxes and grant programs). The Fund basis financial statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2016, its combined fund balance was \$70,953,357, as compared to its combined fund balance of \$73,437,442 as of June 30, 2015, a decrease of \$2,484,085. The General Fund, the main operational arm of the School Board, saw its total fund balance increase by \$1,848,473. While General Fund Revenues increased by \$5,787,156, General Fund Expenditures increased by \$2,849,624 and Other Financing Sources (Uses) (Transfers to Other Funds) decreased by \$2,562,918, thereby increasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$1,473,859 to \$1,848,473 a total increase of \$374,614.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on August 20, 2015, and the Final Budget was adopted June 16, 2016. The General Fund budget amendments increased total anticipated revenues by 0.64% and increased projected expenditures by 0.49%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year about \$8,293,572 more than had been budgeted.

The fiscal year 2017 General Fund budget, adopted on August 18, 2016, showed anticipated revenues of \$223,494,064, projected expenditures of \$224,506,743, and net transfers out of \$9,925,489 resulting in a projected decrease of \$10,938,108 for the year. Transfers out include \$4,875,289 to the Capital Projects Fund, \$2,030,000 to the Maintenance Fund, \$895,200 to the Sinking Fund (Debt Service) and \$2,125,000 to the School Food Service Fund.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2016, the School Board had \$212,174,210 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at June 30, 2016 and 2015.

TABLE II
Net Capital Assets
at June 30, 2016 and 2015

	<u>2015</u>	<u>2015</u>
Land	\$ 15,327,453	\$ 15,129,537
Construction in Progress	12,076,471	5,751,039
Buildings and Improvement	174,239,352	171,117,766
Furniture and Equipment	2,554,327	2,619,503
Library Books and Textbooks	3,253,444	4,644,530
Vehicles	4,723,163	3,619,769
Total	<u>\$ 212,174,210</u>	<u>\$ 202,882,144</u>

During the current fiscal year, \$18,866,728 of assets were capitalized as additions while \$6,562,872 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2016 amounted to a net of \$6,308,836 on buildings and improvements and \$3,116,442 on movables such as furniture, vehicles, and equipment.

In the 2015-2016 fiscal year, the following land was acquired:

Walker District No. 4 – 2.159 Acres	\$ 150,000
Literacy & Technology Center – 0.55 Acres	<u>47,916</u>
Total Land Purchases Parish-Wide	<u>\$ 197,916</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

During the fiscal year ended June 30, 2016, the following major construction projects were completed:

<u>Project</u>	<u>Total Cost of Project</u>
Denham Springs District No. 1	
Southside Elementary – Renovations	\$ 3,014,357
Gray's Creek Elementary –Roof Renovation	141,645
Southside Jr. High Band Room	630,281
Various Schools – Small Projects in 7 Mill Maintenance	1,058,472
Total District No. 1	<u>4,844,755</u>
Walker District No. 4	
South Fork Elem – Classroom & Multi-Purpose Building	2,280,440
Various Schools – Small Projects in 7 Mill Maintenance	106,550
Total District No. 4	<u>2,386,990</u>
Albany District No. 24	
Albany High – Athletic Field House	1,713,785
Various Schools – Small Projects in 7 Mill Maintenance	128,504
Total District No. 24	<u>1,842,289</u>
Springfield District No. 27	
Various Schools – Small Projects in 7 Mill Maintenance	92,646
French Settlement District No. 32	
Various Schools – Small Projects in 7 Mill Maintenance	205,542
Maurepas District No. 33	
Various Schools – Small Projects in 7 Mill Maintenance	58,200
Grand Total Completed Construction Projects	<u>\$ 9,430,422</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

At June 30, 2016 the following major projects were included in incomplete construction:

Project	Project Cost to June 30, 2016	Total Estimated Project Cost
Denham Springs District No. 1		
Denham Springs High – Classroom Addition	\$ 1,185,007	\$ 1,427,754
Southside Jr. High – Gym Renovation & HVAC	221,441	553,800
Denham Springs Elementary – Classroom Addition	41,669	848,018
Northside Elementary – Renovations	148,259	328,893
Gray’s Creek Elementary – Classroom Building	34,900	697,402
Various Schools – Small Projects in 7 Mill Maintenance	305,088	374,109
Total District No. 1	1,936,364	4,229,976
Walker District No. 4		
Walker High – Field House	3,138,114	3,766,939
Walker High – Athletic Facility Improvement	2,030,188	2,090,544
Walker High – Master Plan & Addition/Renovation	1,262,577	25,626,350
Levi Milton Elementary – Driveway	104,613	213,720
Total District No. 4	6,535,492	31,697,553
Live Oak District No. 22		
Old Live Oak High School – Renovations	2,527,466	4,677,445
Old Live Oak High School – Gym Retrofit	26,586	35,423
North Live Oak Elementary – Reroofing	110,653	226,141
Live Oak Elementary – Car Rider Parking Lot	26,810	327,140
Total District No. 22	2,691,515	5,266,149
Holden District No. 25		
Holden High – Renovation	583,993	726,609
Frost District No. 31		
Frost School – Parking Lot	17,170	17,170
Parish-Wide		
Option III – Parking Lot Improvement (7 Mill)	136,444	136,444
Pupil Appraisal – Renovation (7 Mill)	26,961	67,400
Springfield High – Life Skills Apartment (IDEA)	148,532	148,532
Total Parish-Wide	311,937	352,376
Grand Total Incomplete Construction Projects	\$ 12,076,471	\$ 42,289,833

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

All funding is coming from the individual districts, except for the Walker District No. 4 in which \$25,000,000 in bonds were sold in 2015, to fund the majority of the district's projects.

The School Board has no significant infrastructure assets which would require capitalization and depreciation. All parking lots, sidewalks, etc. are considered to be part of the cost of buildings, and depreciated with the buildings. All depreciation of capital assets is under the straight-line method. Useful lives for buildings are for 40 years, while those for furniture, fixtures, vehicles and equipment vary for 5 to 10 years.

DEBT

At June 30, 2016, the School System had outstanding bonded indebtedness of \$83,591,905 as compared to \$88,770,963 at June 30, 2015. This included General Obligation Bonds, Qualified School Construction Bonds, and capital leases for the purchase of new buses.

The School System's bonds were last rated October 11, 2011, at which time they were given a rating of AA+ by Moody's Investors Service. Based on the 2016 Grand Recapitulation from the Parish Assessor's office, the legal debt limit of the School System fixed by Louisiana Revised Statute 39:562(L) at 35% of the total assessed valuation of property in the Parish was approximately \$355,700,000 at June 30, 2016.

ECONOMIC FACTORS

LOCATION

Livingston Parish is located in the southeastern portion of Louisiana approximately 30 miles east of the state capital of Baton Rouge. The parish consists of 703 square miles of which 648 square miles is land and 55 square miles is water; it is 32 miles long by 30 miles wide. The geographical landscape of the parish varies. The northern part of the parish consists of rolling terrain covered by slash pine and hardwood forests approximately 50 feet above sea level. In the southern end of the parish, the land submerges into rich cypress forests and marshes that border on Lake Maurepas and the Amite River. Between lie a variety of streams, bayous and swales. It is bordered by St. Helena Parish on the north, Tangipahoa Parish on the east, East Baton Rouge Parish on the west, and Lake Maurepas, St. John the Baptist Parish and Ascension Parish on the south.

Livingston Parish's ideal location near Baton Rouge and New Orleans makes it a smart choice for access to both metropolitan areas. The parish is minutes from Baton Rouge, less than an hour from New Orleans and is within just a couple of hours drive of the major industrial area of the coast of the Gulf of Mexico. Livingston Parish is just 15 miles from deep water at the Port of Greater Baton Rouge which provides direct connections to the Ports of New Orleans and Mobile. Interstate 12, which runs east/west throughout the entire parish, provides highway access to Interstates 10, 55 and 59 within a 60 mile radius. The Interstate 12 corridor has been a "national hot spot" for business development and will continue to be a driver of Louisiana's economy. The Canadian National Railway operates within the parish, including the Livingston Industrial Park, and runs through the southeastern major distribution markets south into Mexico

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

and north across Canada. The Baton Rouge Metropolitan Airport is only 15 miles away, and New Orleans' Louis Armstrong International Airport in New Orleans is 80 miles away; both provide passenger and freight services. The parish also has two electric utility providers and several natural gas distributors and pipelines.

EDUCATION

The Livingston Parish School System is the 8th largest school system in the state of Louisiana with its present enrollment at approximately 25,500. It has 43 schools (pre-K through high school), up from 30 schools in 1990, one alternative school, and construction has begun to renovate an old high school into a new campus for a middle school. The school system accepted a donation of nearly 16 acres of land south of Denham Springs to be used as a potential site for a future elementary or middle school. The donation will provide the Denham Springs district with the land it needs to build a new campus in an area where future growth is anticipated. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. It is the largest employer in the parish with 3,500 employees and an annual budget of \$275 million.

Now ranked 3rd in the state, it is no wonder why Livingston Parish businesses and residents cited public schools in the parish as one of the community's strongest assets. The Livingston Parish Public School System has earned an "A" grade under the state's scoring system according to scores released by the Louisiana Department of Education. Livingston Schools received an overall 109.5 score, up 7.0 points from the previous school year. At the same time, the number of individual schools receiving an "A" grade is 28, accounting for 67% of all the district's elementary, middle and high school campuses.

The latest ACT scores released by the Louisiana Department of Education confirm that Livingston Parish students continue to be among the highest performing students in the state. The district ranks 6th in the state with a composite ACT score of 20.5 for the senior class of 2016. The state average for the Class of 2016 is 19.5. In addition, Livingston Parish students continue to be among the state's top performers in Advanced Placement (AP) exams. According to the Louisiana Department of Education's report, 474 students in the 2015-16 school year earned an AP exam score that resulted in college credit; this is a 29-percent increase from the previous year when 368 students earned college credit. AP courses in high school offer students the opportunity to earn college credit in the same subject.

Holden, Maurepas and Springfield high schools have once again been named among the nation's best public high schools, according to this year's rankings by U.S. News & World Report. The three schools were among 85 high schools in Louisiana to be nationally recognized for their academic performances in 2014. All three Livingston Parish schools earned a Bronze Medal, which is given to those schools that excel at a variety of measurable performance outcomes. The designation is based on a key principle that high schools must serve all students well, not just those bound for college.

Livingston's top tier public K-12 schools and close proximity to major universities, community colleges, and technical colleges make it a prime training ground for a competitive workforce. The school system is one of the best in Louisiana, consistently ranked in the top ten systems for students' academic performance.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

Our college students enjoy an easy commute to Louisiana State University, Southern University and Baton Rouge Community College in Baton Rouge, Southeastern Louisiana University in Hammond, River Parishes Community College in Gonzales, and Northshore Technical Community College with campuses in Hammond and Greensburg.

Officials plan to build a new community college and workforce training center that would offer a wide range of programs, including general education, allied health, welding and technology. Initial designs call for a 20,000 square foot campus at a cost of about \$5 million. In November 2014, the School Board donated 12.3 acres of undeveloped land near the Livingston Parish Literacy and Technology Center in Walker to the State for the facility. Officials hope to enroll 500 to 700 students at the facility, but the local campus could potentially accommodate 2,000 students. The proposed Livingston community college is part of legislation passed in the 2014 Louisiana Legislative Session with \$5.13 million earmarked to help fund the project.

The Livingston Parish Literacy and Technology Center located in Walker is a joint project between Southeastern Louisiana University and the Livingston Parish School Board. It offers high school and college courses, literacy and enrichment programs for adults and children, and after-school tutoring. Vocational training includes automotive service technology, computer service technology, criminal justice, patient care technology, pharmacy technician, and medical office assistant. The Family Resource Center is also located at the Lit/Tech Center. It provides resources and assistance to support parents with their children's education.

In July 2016, Livingston Parish school officials opened its new Suma Professional Development Center near the I-12/Satsuma exit. The 4,000 square foot space is equipped with presentation technology and wireless connectivity, and it allows approximately 150 people to meet around tables for discussions.

The Louisiana Department of Education announced at the special ceremony in July 2016 that Livingston Parish teacher Joni Smith is the overall 2017 Teacher of the Year. Smith, who is a 7th grade science teacher at Albany Middle School, was selected as the state's top teacher from among 24 elementary, middle and high school teachers from across the state who advanced to the state department's final-round of competition for the award.

WHY LIVINGSTON PARISH?

Livingston Parish is primarily described as a rural parish with a population of 141,456 based on the July 1, 2016 estimate from LAHomeTownLocator.com. Livingston Parish has been among the fastest growing parishes in the state for the past decade, increasing its population from 91,814 in 2000 to today's estimated population of 141,456 (an increase of approximately 54.06%). Forecasters predict this trend to continue and the population to exceed 150,000 in the next five years. Sales of new homes were up 3.5% when comparing the first six months of 2016 to the first six months of 2015, going from 888 to 919, and new listings for the same time period were up 2.5%. Housing here is affordable with median sales price of \$171,000 in June 2016, and in ready supply as residential developments expand, with upscale homes available as well. The parish anticipates this to continue as people learn about the advantages of the quality

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

of life in Livingston Parish. The total assessed property value on the Livingston Parish Tax Roll in May 2016 is approximately \$778,473,050. The taxable value is \$536,133,095, which is approximately a 10.04% increase over the prior year. Increased population and development of rural lands, in addition to re-assessments of existing properties every four years, continue to elevate property values.

Livingston Parish has earned a growing reputation as a great place to live. In addition, the parish is now considered a hot location for business. Livingston Parish is in the midst of a commercial boom that is expected to soar. The once rural community offers almost everything businesses want when they are looking to invest. It has great schools, a growing population, abundant family housing, high quality of life, unbeatable location, untapped opportunity, well planned infrastructure and business-friendly leadership. Livingston Parish consists of two cities (Denham Springs and Walker), three towns (Livingston, Albany and Springfield), three villages (Killian, French Settlement and Port Vincent), one major unincorporated area (Watson), and other rural unincorporated developments.

❖ *CITY of DENHAM SPRINGS – population 10,821*

The parish's largest city, Denham Springs, includes a historic downtown antique district with 30 antique shops in addition to numerous restaurants, hotels and other retail stores. Denham Springs was named Readers' Choice Award for "Best Louisiana Main Street" and ranked by AAA's Southern Travel as one of the three best antique shopping destinations in the country.

Located off Wax Road, south of I-12 is Greystone Golf and Country Club. Greystone is a 350-acre development featuring a golf course, club house, dining, gift shop, pool, fitness area, tennis and basketball courts, playground, lake and trails along with some 350 upscale homes. Greystone's golf course is recognized as one of the more challenging in the state even for highly-skilled golfers.

In Denham Springs, Bass Pro Shop is the anchor to a 75-acre development at I-12 and Range Avenue. The 163,000 square foot store includes Islamorada Fish Company Restaurant which seats 300 people. The outdoor store features hand-painted murals from renowned artists depicting scenes that are typical of southern Louisiana. Record wildlife mounts are displayed alongside local historical prints depicting early Louisiana residents enjoying sporting adventures. The bayou theme includes a uniquely designed aquarium, an alligator pit, a huge snapping turtle and museum quality wildlife dioramas. There is an expansive boat showroom featuring Gator Trax boats built right here in the town of Springfield. The entire store is a tribute to the vast diversity of the Louisiana landscape and its people. For a sample of the store's unique flair, visit www.livingstonparish.com/bass_pro_inside. It is estimated the Bass Pro Shop and accompanying hotels and restaurants achieve annual sales of \$70 million.

Sam's Club purchased 17 acres in the Bass Pro Shops development and opened its 136,000 square foot facility in June 2012. The store has 175 employees and estimates gross sales of approximately \$40 million annually. Nearby, restaurants and other shops are installing themselves in the Amite Crossing strip mall. Riverside Landing is one of only a very few sites in the United States with a unique anchor mix of national destination retail giants such as Bass Pro Outdoor World and Sam's Club. Cavender's, one of the largest western clothing stores in the United States, opened its 18,000 square foot store in the development in

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

November 2013. More than 530,000 square feet of development is planned for Riverside Landing, and when completed, the complex will include over 1 million square feet of retail shops, restaurants and hotel space for shoppers to frequent.

East of the Bass Pro Shop, the city is getting a new landmark as developers in June 2015 announced plans for a "high-rise" retail/office building. The 4-story, 44,000 square foot Carlisle Place will include retail space on the first floor and will be topped with three floors of high quality office space as well as an 11,400 square foot international movie production on the fourth floor.

In early 2015, city officials reported they had talked with developers about building three new hotels in the city, one of which is reported to be a \$70 million, 12-story, five-star hotel with a restaurant and conference center in the Sheraton chain. The other two hotels include a Marriott-brand site off Bass Pro Boulevard and a Holiday Inn south of Interstate-12.

Juban Crossing is a \$350 million multi-use development at the intersection of Interstate 12 and Juban Road. The 471-acre development is being built in three phases over a span of 5 to 7 years. The project leaders estimate the development will create about 3,500 jobs and generate about \$5.9 million annually in ad valorem taxes alone and about \$22 million in tax collections over 25 years. Spanning over 1.2 million square feet of easily accessible space in one of south Louisiana's most desirable growth areas, Juban Crossing provides the ideal destination for anyone and every taste.

Retail stores began opening in October 2014. Stores currently open in Juban Crossing include Academy Sports & Outdoors, Bed Bath & Beyond, Belk, Dressbarn, GNC, Great American Cookie Company, Kohl's, Lane Bryant, Marble Slab Creamery, Mattress Firm, Michaels, Moe's Southwest Grill, Old Navy, PetSmart, Ross Dress for Less, Rouses Market, Shoe Carnival, T.J. Maxx, and Ulta Beauty. Other businesses slated for Juban Crossing are Burgersmith, Carter's Clothing, Cato's, Charming Charlie, Five Guys Burgers & Fries, Forever 21, LA Nails, Maurice's, Men's Wearhouse, Movie Tavern, Osh Kosh, Stroubes Grille, Verizon, Walk-On's Bistreaux & Bar. There is talk that other big-name business establishments may be added to the Juban Crossing development.

Also located in Denham Springs are Superior Steel and CAP Technologies. Superior Steel employs 85 employees supplying structural steel to commercial and industrial customers across the country. In 2012, the company purchased nearly 20 acres, where they renovated buildings, invested more than \$1 million in new equipment and expanded the fabrication plant to 90,000 square feet. In June 2011, CAP Technologies fully renovated and constructed its current 50,000 square foot facility in Denham Springs and began production in February of 2013. The company offers a patented, environmentally friendly, unique single process for the surface texturing, cleaning, and/or coating of metals. Electro Plasma Technology (EPT) process allows CAP Technologies to process materials of different sizes and shapes, while retaining the properties of the base metal.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

❖ *CITY of WALKER – population 6,614*

The City of Walker, Livingston Parish's newest official city, is one of the fastest growing cities in Louisiana and was recently ranked second among the top ten best places in the state to raise a family. Walker is the home of Wal-Mart, Stine Lumber Company, CVS Pharmacy, Walgreens, LaQuinta Inn and a Best Western hotel. One of the town's major thoroughfares, Highway 447, hosts numerous restaurants and businesses with many more already under construction.

Walker is also home to the Livingston Parish Industrial Park Area. The 200-acre Livingston Parish Industrial Park is located on U.S. Hwy. 190 just two miles from Interstate-12. Approximately 120 acres of the park have been developed including sewer and water, electricity, access road and signage. Having sites pre-certified helps to expedite the process when developers are ready to invest. The Livingston Economic Development Council has announced that the Livingston Parish Industrial Park is the first parcel of land in Livingston Parish to be certified as "development ready" through a program of Louisiana Economic Development. It is home to CB&I, Waste Management, Miscellaneous Steel Specialties and Compressor Engineering Corporation (CECO) and construction is underway for a new food distribution facility. The park currently generates over \$1.2 million in property taxes to the parish, with several sites still under 10-year property tax alleviation programs that are provided as incentives by state and local governments. There are roughly 800 employees who work inside the industrial park with over \$1 million in payroll paid out annually.

CB&I is the most complete energy infrastructure focused company in the world. The pipe fabrication facility at the Livingston Parish Industrial Park employs more than 600 people. The facility sits on 70 acres, houses an average of \$35 million worth of piping inventory on site and makes or supplies piping products for the many plants and refineries in Louisiana and beyond.

In May 2015, Waste Management of Louisiana opened a new compressed natural gas fleet facility in Walker. The new CNG facility, servicing routes in Livingston Parish and the greater Baton Rouge area, is a major step toward the company's goal of reducing its fleet emissions and increasing its fuel efficiency. Waste Management's CNG-powered vehicles cut smog-producing nitrogen oxide emissions by up to 50 percent compared to the cleanest diesel trucks.

Miscellaneous Steel Specialties offers an 11,000 square foot fabrication facility. Located within the Livingston Parish Industrial Park, the company is committed to the safe production of fabricated steel products which meet the specifications required by their clients while incorporating industry specification standards.

The Livingston Parish Industrial Park is also home to Compressor Engineering Corporation (CECO) which is the world's largest independent manufacturer of engine and compressor replacement parts. CECO offers pipeline construction and maintenance and is an industry leader in training and technical services. Customers include gas pipelines, gathering and processing companies, petrochemical, industrial and refrigeration plants worldwide.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

The next stage of development on a 22-acre site within the Livingston Parish Industrial Park will be a food distribution plant for an international company that supplies McDonald's and other fast food restaurants around the world. In March 2015, the Martin-Brower Company announced its plans to make a \$16 million capital investment to build the distribution facility in Walker. In moving from its current facilities in Port Allen, Louisiana, the company will bring 160 existing jobs and create 30 new direct jobs and 26 new indirect jobs that will provide an additional \$1.3 million in new annual payroll by 2020. The project will generate an estimated 150 to 200 construction jobs.

Just west of the Livingston Parish Industrial Park on U.S Highway 190, you will find the Walker Industrial Park. The park offers great access to Interstate 12, concrete streets and all public utilities including sewer. In early 2014, Gilchrist Construction Company began operation of their \$2 million asphalt plant location on 12 acres. Walker Metal Express built and opened a new manufacturing facility in October 2011 and produces residential and commercial metal roofing and steel building products. The park is also home to Comfort Control Heating & Air, a licensed and insured air conditioning and heating contractor, and Walker-Hill Environmental, Inc. which provides a wide range of remediation services for sites impacted with contaminated soil and/or groundwater. Also planned for the park are Petro-Chem Services and Boardwalk Motorcars.

Our Lady of the Lake (OLOL) Livingston, located on 240 acres just off I-12 near Walker, opened for business in September 2012. The medical center includes the state's first freestanding emergency room which is open 24 hours a day, 7 days a week. In addition to a freestanding emergency room, OLOL Livingston includes outpatient services such as a lab with imaging services including CT, ultrasound, X-ray and MRI, as well as physician offices. The facility has 135 full-time employees with a total annual payroll of approximately \$6.6 million. OLOL Livingston is one of the latest additions to an ever growing number of new medical facilities located throughout Livingston Parish.

❖ *TOWN of LIVINGSTON, population 1,758*

In Livingston, the parish seat, you will find the parish courthouse and government offices, health unit, and a Louisiana Motor Vehicles office. At the end of 2014, the construction of a new Livingston Parish Courthouse was completed. The new facility contains over 100,000 square feet and is the home of the sheriff, clerk of court and district attorney. It also includes judges' chambers and courtrooms all with state of art security equipment.

Probably the biggest economic impact to hit the parish was the announcement in March 2015 that Livingston Parish will be home to EPIC Piping. EPIC invested \$45.3 million to establish an advanced pipe fabrication facility and corporate headquarters. The state-of-the-art facility is located on LA Highway 63, just south of the Interstate 12 interchange at Livingston. The 268,000 square foot facility, with future expansion to 300,000 square feet, sits on 70 acres. With the official opening of the company in November 2016, the project will create 560 new direct jobs and an additional 732 new indirect jobs. The impact on the job market will be substantial.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

Construction is currently underway on a new PepsiCo warehouse distribution center south of the town of Livingston and is projected to bring another 140 jobs to Livingston Parish. The 140,000 square foot facility is located just off LA Highway 63, immediately north of EPIC Piping's plant and headquarters. It is said the business will provide daily distribution of bottled products to area stores.

Perhaps the most unique asset in Livingston Parish is the Laser Interferometer Gravitational Wave Observatory (LIGO) federal research project, one of only two sites in the world which is located near the Town of Livingston. While scientists study gravitational waves, education directors conduct free tours of the facility and the Science Education Center has over forty hands-on interactive science exhibits that relate to the science of LIGO. Tours include a 20-minute video called Einstein's Messengers and there is plenty of time to explore the exhibits that will fascinate and challenge visitors. In September 2015, Livingston LIGO and a sister site in Hanford, Washington recorded gravitational waves from the collision of two black holes more than a billion light years away. The signal confirmed a key prediction of Albert Einstein's 1916 general theory of relativity and kick-started a new era of astronomy. For more information about tours and programs, see the LIGO website at www.ligo.caltech.edu/LA.

❖ *TOWN of ALBANY – population 1,188*

The Town of Albany is located near the eastern border of Livingston Parish, about eight miles west of Hammond. The Hungarian Settlement near Albany is the largest settlement of people of Hungarian descent in the United States. Each October the rural ethnic settlement draws hundreds of guests to its Hungarian Festival which was instituted to preserve Hungarian food, music, dance and culture. Restoration of the old Hungarian school is underway to convert the school into a new Hungarian Museum. More information can be found at www.hungarianmuseum.com.

Livingston Parish also boasts the Veterans' Memorial Plaza which honors living and deceased veterans across the nation. Located in Albany, the stunning plaza consists of five brick walls that display the names of men and women who have served in all branches of the military. At the center is a massive American flag mounted atop a lighted 60-foot flagpole. The memorial itself is flanked by ten 30-foot flagpoles bearing flags representing the Army, the Navy, the Air Force, the Marines, the U.S. Coast Guard, the Merchant Marines, POWs and MIAs, the State of Louisiana, the AMVETS and the American Legion. Future phases of the memorial will include a statue overlooking the plaza and an open-air outdoor classroom with bleachers adjacent to it.

❖ *TOWN of SPRINGFIELD – population 532*

Springfield is the parish's easternmost and oldest town. From 1835 to 1872, the historic town served as the parish seat and is the oldest municipality in Livingston Parish. The old courthouse still stands today and is on the National Register of Historic Places. The Springfield Cemetery is the resting place for many Civil War veterans. One weekend a year, Springfield celebrates its heritage and honors the veterans with a Civil War Reenactment held in the heart of town.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

Magnificent natural resources like Lake Maurepas, Tickfaw River and Amite River which surround the Town of Springfield making boating, tubing, kayaking and fishing major activities for residents of the entire Capital Region. Other outdoor activities include camping, water skiing, swamp tours, river parades and boat races which include the annual Tickfaw 200 Poker Run and the Redneck Regatta.

Near the town of Springfield, with easy access from Interstates 12 and 55, you will find the Tickfaw State Park. It is a 1,200-acre park located along three miles of the Tickfaw River. The park offers diverse recreational, natural and educational opportunities. This State Park has it all: camping, fishing, hiking, bird watching, biking, canoeing and much more. It has recently been added to the Gulf Coast Birding Trail. The many alligators are a must see in the fishing pond.

Carter Plantation is home to PGA champion and Louisiana native David Toms' first signature design golf course which was a recipient of Golf Magazine's "Top 10 Courses You Can Play". The spectacular 18-hole 7,000-plus yard par-72 golf course winds through three distinct Louisiana landscapes - live oak flats, cypress wetlands and upland pine forests. The residential resort and golf community located in Springfield surrounds a historic plantation home that dates back to the early 19th century and presently offers home sites, accommodations, meeting space, a first-class restaurant and recreation facilities.

❖ *VILLAGE of KILLIAN – population 1,369*

The small Village of Killian is one of Livingston Parish's many river communities making it a popular weekend destination with access to a number of waterways and the recreation and natural beauty they offer. Killian is located on LA Highway 22 along the Tickfaw River with easy access to Lake Maurepas. Highway 22 is bustling with residential and commercial development catering to the many visitors and growing number of residents.

❖ *VILLAGE of FRENCH SETTLEMENT – population 1,215*

The Village of French Settlement is located in the southwestern portion of Livingston Parish. The village population quickly multiplies when weekend boaters and fishermen converge on the Amite River. The river, which divides the parishes of Livingston and Ascension, is a hotspot for many water and outdoor activities. French Settlement hosts the annual Creole Festival and is home of the Creole House. The home, an authentic Creole cottage, represents the culture and customs of the people of French, Spanish and German origin and exhibits hundreds of artifacts from the early 1800's.

❖ *VILLAGE of PORT VINCENT – population 772*

Like nearby French Settlement, the Village of Port Vincent's main draw is its waterfront location, luring many recreational visitors to the Amite River. There is a mix of old and new businesses. However, the strongest appeal of the Village is the beautiful riverfront location. On any given day, sportsmen can be spotted traveling the river. As one rides the Amite River along the banks of Port Vincent, it is evident this community is one of the many reasons Louisiana is called a "Sportsman's Paradise".

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

❖ *WATSON (unincorporated) – population 1,079*

Watson is a small but growing unincorporated town located in the northwest corner of Livingston Parish just five miles north of Denham Springs. It is one of the fastest growing areas in the parish. Watson retains that small town quality of life but is located close enough to Baton Rouge and Denham Springs to take advantage of their amenities. Just to the west of Watson, the Amite River, which borders East Baton Rouge Parish, has served as a source of transportation and recreation over the years, and it currently supports a large gravel industry.

Watson has seen a steady growth in local businesses in the past few years and continues to grow as the population does. The area is home to numerous shops, restaurants and businesses such as the Wal-Mart store which opened in April 2012 and created around 300 new jobs. The influx of new retail development continues in Watson. Hibbett Sporting Goods and Dollar Tree have opened at Watson Crossing, and Go Auto, Smoothie King and Casa Maria Mexican restaurant have recently joined them in the shopping development.

❖ *SATSUMA (unincorporated)*

North Oaks Health System opened its facility in January 2012. The 2-story 47,000 square foot medical complex represents a total investment of \$32 million and is located on 34 acres of land on the south side of the I-12 Colyell/Satsuma interchange. The outpatient complex offers a wide range of outpatient diagnostic and treatment services including cardiology, laboratory, radiology and rehabilitation services, an Urgent Care Center, a Family Medicine Clinic, a Specialty Clinic, and a Conference Room for health education. North Oaks employs approximately 100 health care professionals with an estimated \$4.4 million payroll and projects economic impact of \$13.2 million cycling through the community annually.

Also at the I-12 Satsuma interchange is the Summa Crossing development. The project includes upscale traditional single-family residential neighborhoods, premium residential condominiums and apartment developments in the 2,000-acre community. Developers hope Summa Crossing will also pave the way for multiple shopping centers. The area is the home of the Suma Hill Conference Center, which boasts an 800-seat live production theater.

In Satsuma, parked along I-12 at exit 19, you will notice an F-4 Phantom Navy Jet on display as a tribute to World War II veterans. In February 2014, the Phantom jet was delivered from the National Naval Aviation Museum in Pensacola, Florida. The aircraft has undergone restoration and was painted the colors of the Ghostriders, the VF-142 fighter squadron. After full restoration, the aircraft was elevated 20 feet and is adorned with Old Glory flying majestically atop a tall flag pole. Plans are to add other military pieces as they become available.

❖ *HOLDEN (unincorporated)*

Ferrara Fire Apparatus, located just east of Baton Rouge in Holden, leads the industry in the custom design and manufacture of emergency response vehicles. Ferrara is America's premier provider of heavy duty fire

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

apparatus and is known for its heavy duty construction materials and design process that gives the customer input into how the truck will be built. The company is the fourth largest manufacturer of fire trucks in the United States and has delivered more than 5,000 new fire apparatus to agencies in this country and around the world.

In March 2014 near Holden, actor-writer-director, John Schneider, opened his film production studio, John Schneider Studios. Improvements on the 58-acre former campground just west of the Tickfaw River on the south side of U.S. Highway 190 began shortly after its purchase, and productions have already been under way. The studio boasts 5,000 square feet of sound stage with 20 ft. ceilings and a variety of interesting locations to shoot such as lakes, swamps, and a bamboo forest. This new studio is certain to bring a new caliber of film-making to Livingston Parish.

LIVINGSTON PARISH ECONOMIC DEVELOPMENT

In July 2015, the Livingston Economic Development Council (LEDC) announced the release of their business assistance website, "Livingston Advantages", as a medium to help cultivate and guide new and existing businesses in Livingston Parish. The website was a collaborated effort between the LEDC, parish officials and organizations, business owners and other community leaders. Livingston Advantages creates a tool for people who are thinking about starting a business or expanding their existing operation in Livingston Parish. One of the site's functions is to provide local leaders a place to send people for answers to their questions. The site provides a library of information, condensed into a database format, for banks, governmental employees, and community leaders to pull from and help guide them to the appropriate destination. To access the site, go to www.livingstonadvantages.com.

Businesses planning to locate in Livingston Parish have access to a number of tax incentive programs including property tax abatement, sales tax rebates, job tax credits, payroll rebates and more. For more information on these incentives, go to www.ledc.net/site-selectors/incentives.

A united effort between the public and private sectors will assist in the continued economic growth of Livingston Parish. The *Livingston Tomorrow* campaign is designed to be Livingston's economic development vehicle to capitalize on the plentiful resources of our community by bringing together a diverse group of individuals, organizations and businesses. The plan calls for the creation of thousands of new jobs, new business growth and existing business expansion, and prosperity in Livingston Parish over the next few years. The core mission of *Livingston Tomorrow* is based on the concept of "economic vitality" and the need to have a strong, healthy, local economy aimed at improving the economic quality of life for residents and businesses.

By 2020, we envision a Livingston Parish with a vibrant, diversified economy with high quality jobs that continually strives to improve our infrastructure, transportation, education and workforce development, healthcare and other vital services. We will be an area that is more competitive for new business than we are today. By aggressively preparing for the future, *Livingston Tomorrow* will ensure that our current economic prosperity continues and grows well into the future.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

TOURISM

The Livingston Parish Convention & Visitors Bureau Tourist Center is located off I-12 at the Albany exit. Visitors will find a wealth of information located just inside the center. Free brochures, maps, magazines and newspapers are available. Anyone wanting additional help uncovering Livingston Parish's "treasures" can call 225-567-7899 or 888-317-7899, email info@livingstontourism.com or they can check out the website, www.livingstontourism.com. The website provides a wealth of information on cities and towns, lodging, outdoor activities, shopping, attractions, restaurants and much more. Come "Live it up in Livingston!"

FLOOD OF AUGUST 2016

From August 11, 2016 through August 15, 2016 the weather system that stalled over southeast Louisiana dumped up to 20 inches of rain in many places, and perhaps as much as 36 inches in other places causing catastrophic flooding of thousands of homes and businesses. The school system had eight schools that suffered severe flood damage, two had serious damage and three had mild damage.

In order to begin the healing process and move forward as one system, all Livingston Parish schools reopened on September 12, 2016. Most students returned to their regular school campuses. However, one middle and three high schools were sent as a group to nearby campuses and two elementary schools were assigned to different campuses. On October 3, 2016, Springfield High returned to their regular campus. Students from Denham Springs High and Denham Springs Freshman High will return to their home campuses for the start of the second semester on January 5, 2017, while two other schools will relocate to temporary campuses at that time. Southside Elementary and Junior High students will relocate to temporary campuses next to Juban Parc Elementary and Junior High. The temporary campus for Denham Springs Elementary is scheduled to open near the end of January. More than 95 percent of all students enrolled in Livingston Parish schools for the 2016-2017 school year have returned to school since classes restarted after the flood and others are expected to return in January after the semester break.

Economically, things have already started turning around. More and more businesses are opening each day. Less than two years after it opened, Livingston Parish's only main shopping center, Juban Crossing, was inundated with four feet of flood waters. The great news is the majority of the 30+ retail establishments have already reopened with only one store not reopening and a spokesperson for the development stated they will be announcing even more new tenants soon. Business owners are determined to bring their business back to life and help make their communities be better than ever.

Livingston Parish has been one of the fastest growing parishes in Louisiana. We have suffered a huge misfortune, but we are on the road to recovery and we will be great again.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2016

LINKS TO ADDITIONAL INFORMATION

Additional information on Livingston Parish can be found at the following websites:

- Livingston Parish Public Schools – www.lpsb.org
- Livingston Economic Development Council – www.ledc.net
- Livingston Advantage – www.livingstonadvantages.com
- Livingston Parish Government – www.livingstonparishla.gov
- Livingston Parish Sales & Use Tax Commission – www.laota.com/parish/livingston1
- Livingston Parish Sheriff's Office – www.lpsso.org
- Livingston Parish Assessor – www.livingstonassessor.com
- Livingston Parish Clerk of Courts – www.livclerk.org
- Livingston Parish Convention & Visitors Bureau – www.livingstontourism.com
- Livingston Parish Chamber of Commerce – www.livingstonparishchamber.org
- Livingston Business Journal – www.livingstonbusiness.com

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

While this report is designed to provide full and complete disclosure of the financial conditions and operations of the Livingston Parish School Board, citizens' groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Terry E. Hughes, Business Manager, at the Livingston Parish School Board Office, 13909 Florida Blvd, P.O. Box 1130, Livingston, LA 70754-1130, or by calling 225-686-4235, during regular business hours, Monday thru Friday, 8:00 a.m. to 4:00 p.m., central time. Ms. Hughes' e-mail address is Terry.Hughes@lpsb.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD**STATEMENT OF NET POSITION (DEFICIT)**

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

ASSETS

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	\$ 28,135,027	\$ 25,587,763
Investments	60,150,000	65,150,000
Receivables	9,962,101	10,570,637
Inventory	1,733,760	1,369,430
Capital Assets:		
Land and Construction in Progress	27,403,924	20,880,576
Other Capital Assets (Net of Accumulated Depreciation)	<u>184,770,286</u>	<u>182,001,568</u>
Total Assets	<u>312,155,098</u>	<u>305,559,974</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Refunding	1,414,745	1,452,650
Deferred Outflows - Related to Pensions	<u>42,896,003</u>	<u>46,346,496</u>
Total Deferred Outflows of Resources	<u>44,310,748</u>	<u>47,799,146</u>

LIABILITIES

Accounts, Salaries, and Other Payables	29,027,531	29,240,388
Interest Payable	711,588	719,512
Long-Term Liabilities:		
Due Within One Year	9,386,837	9,397,418
Due in More than One Year	150,350,855	146,688,651
Net Pension Liability	<u>293,823,763</u>	<u>284,416,131</u>
Total Liabilities	483,300,574	470,462,100

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Related to Pensions	<u>18,820,977</u>	<u>42,661,285</u>
--	-------------------	-------------------

NET POSITION (DEFICIT)

Net Investment in Capital Assets	141,320,476	131,773,447
Restricted for:		
Debt Service Fund	4,301,970	4,099,712
Maintenance of Schools	2,374,820	2,157,881
General Fund	23,100,260	26,090,441
Unrestricted (Deficit)	<u>(316,753,231)</u>	<u>(323,885,746)</u>
Total Net Position (Deficit)	<u>\$ (145,655,705)</u>	<u>\$ (159,764,265)</u>

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

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

FUNCTIONS/PROGRAMS	Program Revenues				Total Governmental	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities -	
					Net (Expense) Revenue and Changes in Net Position	
				2016	2015	
Governmental Activities:						
Instruction:						
Regular Programs	\$ 98,897,597	\$ 370,054	\$ 1,909,398	\$ -	\$ (96,618,145)	\$ (94,245,867)
Special Programs	30,299,791	7,248	3,058,512	154,437	(27,079,594)	(27,760,784)
Vocational Programs	3,345,407	4,292	330,594	-	(3,010,521)	(2,830,880)
Adult Continuing Education Programs	216,118	-	192,408	-	(23,710)	(40,481)
All Other Programs	10,089,132	423,573	6,841,278	-	(2,824,281)	(3,987,839)
Support Services:						
Student Services	13,976,411	-	2,104,709	-	(11,871,702)	(12,354,744)
Instructional Staff Support	8,652,068	4,235	3,195,993	-	(5,451,840)	(5,820,389)
General Administration	8,273,421	1,010,381	4,202	-	(7,258,838)	(8,358,928)
School Administration	13,879,215	143,432	107,975	-	(13,627,808)	(13,973,986)
Business Services	2,265,766	173,740	646,605	-	(1,445,421)	(1,399,823)
Plant Services	19,434,948	66,557	8,497	-	(19,359,894)	(20,048,156)
Student Transportation Services	13,922,819	212,307	27,447	-	(13,683,065)	(13,827,172)
Central Services	2,014,385	-	1,051	-	(2,013,334)	(2,010,308)
Food Services	12,899,997	3,166,498	7,803,321	-	(1,930,178)	(2,686,072)
Community Service Programs	107,773	-	94,011	-	(13,762)	(14,116)
Interest on Long-Term Debt	3,115,042	-	-	-	(3,115,042)	(2,796,620)
Total Governmental Activities	\$ 241,389,890	\$ 5,582,317	\$ 26,326,001	\$ 154,437	(209,327,135)	(212,156,165)
Taxes:						
Property Taxes, Levied for General Purposes					10,894,864	10,479,311
Property Taxes, Levied for Debt Services					6,625,299	6,598,511
Sales and Use Taxes, Levied for General Purposes					43,148,121	39,978,681
Sales and Use Taxes, Levied for Debt Services					1,880,485	1,787,998
State Revenue Sharing					912,285	936,318
Grants and Contributions not Restricted to Specific Purposes:						
Minimum Foundation Program					159,311,832	158,080,838
Other					6,712	12,484
Interest and Investment Earnings					749,158	625,518
Net Gain (Loss) on Sale of Assets					(108,257)	9,097
Miscellaneous					15,196	70,557
Total General Revenues					223,435,695	218,579,313
Change in Net Position					14,108,560	6,423,148
Net Position (Deficit) - Beginning of Year					(159,764,265)	(166,187,413)
Net Position (Deficit) - End of Year					\$ (145,655,705)	\$ (159,764,265)

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

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

<u>ASSETS</u>	General	Capital	Nonmajor	Total	
	Fund	Projects Fund	Funds	Governmental Funds	2015
Cash and Cash Equivalents	\$ 12,953,977	\$ 7,367,458	\$ 7,813,592	\$ 28,135,027	\$ 25,587,763
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	45,150,000	15,000,000	-	60,150,000	65,150,000
Receivables	4,588,205	13,487	5,360,409	9,962,101	10,570,637
Due from Other Funds	4,508,371	-	-	4,508,371	4,484,199
Inventory	1,393,796	-	339,964	1,733,760	1,369,430
Total Assets	<u>\$ 68,594,349</u>	<u>\$ 22,380,945</u>	<u>\$ 13,513,965</u>	<u>\$ 104,489,259</u>	<u>\$ 107,162,029</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts, Salaries and Other Payables	\$ 24,672,317	\$ 2,590,040	\$ 1,765,174	\$ 29,027,531	\$ 29,240,388
Due to Other Funds	-	-	4,508,371	4,508,371	4,484,199
Total Liabilities	24,672,317	2,590,040	6,273,545	33,535,902	33,724,587
Fund Balances:					
Nonspendable:					
Inventory	1,393,796	-	339,964	1,733,760	1,217,259
Restricted For:					
Debt Service	-	-	4,301,970	4,301,970	4,099,712
Maintenance of Schools	-	-	2,374,820	2,374,820	2,157,881
Construction, Utilities and Maintenance	21,489,419	-	-	21,489,419	24,070,463
Educational Excellence	350,578	-	-	350,578	803,000
E-Rate	547,847	-	-	547,847	648,311
Career Development	599,699	-	-	599,699	461,863
Other	112,717	-	-	112,717	106,804
Committed To:					
Contracts	-	17,716,110	109,459	17,825,569	3,644,163
Assigned To:					
Capital Projects	-	2,074,795	-	2,074,795	21,255,986
School Lunch Program	-	-	114,207	114,207	-
Property Damage Insurance	936,048	-	-	936,048	702,036
General Liability Insurance	2,490,296	-	-	2,490,296	1,867,722
Workers Compensation Insurance	358,988	-	-	358,988	269,241
Other Post Employment Benefits	3,138,321	-	-	3,138,321	2,853,019
Unassigned	12,504,323	-	-	12,504,323	9,279,982
Total Fund Balances	<u>43,922,032</u>	<u>19,790,905</u>	<u>7,240,420</u>	<u>70,953,357</u>	<u>73,437,442</u>
Total Liabilities and Fund Balances	<u>\$ 68,594,349</u>	<u>\$ 22,380,945</u>	<u>\$ 13,513,965</u>	<u>\$ 104,489,259</u>	<u>\$ 107,162,029</u>

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

LIVINGSTON PARISH SCHOOL BOARD

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

	Total	
	Governmental Funds	
	2016	2015
Total Fund Balances - Governmental Funds	\$ 70,953,357	\$ 73,437,442
Cost of Capital Assets	345,354,100	333,050,244
Less: Accumulated Depreciation	<u>(133,179,890)</u>	<u>(130,168,100)</u>
	212,174,210	202,882,144
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	4,508,371	4,484,199
Due to Other Funds	<u>(4,508,371)</u>	<u>(4,484,199)</u>
	-	-
Long-Term Liabilities:		
Accumulated Unfunded Other Postemployment Benefits Payable	(58,447,086)	(49,094,409)
Compensated Absences	(13,297,328)	(13,032,963)
Net Pension Liability	(293,823,763)	(284,416,131)
Claims and Judgments	(2,130,000)	(2,850,000)
Bonds Payable	(79,110,000)	(84,105,000)
Capital Lease Payable	(1,548,560)	(865,953)
Certificates of Indebtedness Payable	(2,933,345)	(3,800,010)
Deferred Premium on Bonds	(2,271,373)	(2,337,734)
Deferred Amount on Refunding	1,414,745	1,452,650
Accrued Interest Payable	<u>(711,588)</u>	<u>(719,512)</u>
	(452,858,298)	(439,769,062)
Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds	42,896,003	46,346,496
Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds	<u>(18,820,977)</u>	<u>(42,661,285)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (145,655,705)</u>	<u>\$ (159,764,265)</u>

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

LIVINGSTON PARISH SCHOOL BOARD

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2016	2015
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 5,076,540	\$ 2,424,266	\$ 10,019,357	\$ 17,520,163	\$ 17,077,822
Sales and Use	43,148,121	-	1,880,485	45,028,606	41,766,679
Other	546,951	-	-	546,951	539,723
Rentals, Leases and Royalties	1,975	-	-	1,975	3,970
Tuition	232,736	-	-	232,736	264,880
Interest Earnings	529,148	167,772	52,238	749,158	625,518
Food Services	-	-	3,072,806	3,072,806	2,879,476
Other	4,130,483	-	117,498	4,247,981	3,718,656
State Sources:					
Unrestricted Grants-in-Aid	159,384,492	225,287	621,050	160,230,829	159,064,705
Restricted Grants-in-Aid	2,630,009	-	-	2,630,009	1,874,200
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	646,004	646,004	592,923
Restricted Grants-in-Aid - Subgrants	-	-	20,465,442	20,465,442	19,345,445
Other - Commodities	-	-	767,777	767,777	755,643
Total Revenues	215,680,455	2,817,325	37,642,657	256,140,437	248,509,640
Expenditures:					
Instruction:					
Regular Programs	98,339,207	-	164,626	98,503,833	95,299,012
Special Programs	28,514,438	-	1,543,635	30,058,073	30,074,318
Vocational Programs	3,022,592	-	301,478	3,324,070	3,067,634
Adult and Continuing Education Programs	98,577	-	123,147	221,724	240,400
Other Programs	4,002,142	-	6,340,588	10,342,730	10,426,578
Support Services:					
Pupil Support	12,221,370	-	1,978,789	14,200,159	13,968,281
Instructional Staff Support	5,712,581	-	2,848,048	8,560,629	7,912,969

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2016	2015
Expenditures (Continued):					
Support Services (Continued):					
General Administration	2,154,291	94,935	393,389	2,642,615	2,710,224
School Administration	14,070,650	-	9,220	14,079,870	14,130,851
Business Services	2,224,437	-	601	2,225,038	2,180,447
Plant Services	14,553,204	-	4,754,141	19,307,345	19,957,916
Transportation Services	12,939,674	-	27,447	12,967,121	13,141,535
Central Services	1,998,868	-	-	1,998,868	1,970,915
Food Services	-	-	12,874,317	12,874,317	13,507,355
Community Service Programs	15,001	-	94,011	109,012	109,742
Capital Outlay	2,426,361	14,276,630	1,683,044	18,386,035	14,373,034
Debt Service:					
Principal Retirement	445,531	-	5,861,665	6,307,196	6,032,248
Interest and Bank Charges	14,432	-	3,136,990	3,151,422	2,714,260
Total Expenditures	<u>202,753,356</u>	<u>14,371,565</u>	<u>42,135,136</u>	<u>259,260,057</u>	<u>251,817,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,927,099	(11,554,240)	(4,492,479)	(3,119,620)	(3,308,079)
Other Financing Sources (Uses):					
Sale of Capital Assets	41,127	-	-	41,127	86,646
Other	(533,730)	-	-	(533,730)	(450,148)
Issuance of Long-Term Debt	1,128,138	-	-	1,128,138	50,876,536
Premium on Bond Issuance	-	-	-	-	2,315,239
Bond Issuance Costs	-	-	-	-	(426,213)
Transfers In	646,004	6,750,000	5,610,165	13,006,169	10,429,588
Transfers Out	(12,360,165)	-	(646,004)	(13,006,169)	(10,429,588)
Payment to Refund Bonds	-	-	-	-	(26,875,777)
Total Other Financing Sources (Uses)	<u>(11,078,626)</u>	<u>6,750,000</u>	<u>4,964,161</u>	<u>635,535</u>	<u>25,526,283</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,848,473	(4,804,240)	471,682	(2,484,085)	22,218,204
Fund Balances at Beginning of Year	<u>42,073,559</u>	<u>24,595,145</u>	<u>6,768,738</u>	<u>73,437,442</u>	<u>51,219,238</u>
Fund Balances at End of Year	<u>\$ 43,922,032</u>	<u>\$ 19,790,905</u>	<u>\$ 7,240,420</u>	<u>\$ 70,953,357</u>	<u>\$ 73,437,442</u>

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

LIVINGSTON 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, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

	Total	
	Governmental Funds	
	2016	2015
Total Net Change in Fund Balances - Governmental Funds	\$ (2,484,085)	\$ 22,218,204
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Outlays	18,386,035	14,373,034
Library Books and Textbooks Purchased	480,693	1,230,340
Depreciation Expense	(9,425,278)	(9,162,293)
Add accumulated depreciation on capital assets retired during the year	6,413,488	1,044,597
Less cost basis of capital assets retired during the year	(6,562,872)	(1,122,146)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of General Obligation Bonds	-	(52,100,239)
Issuance of Capital Lease	(1,128,138)	(1,091,536)
Increase in Other Postemployment Benefits Obligation Net	(9,352,677)	(9,122,188)
General Obligation Bond Principal Repayments	4,995,000	4,940,000
Certificates of Indebtedness Principal Repayments	866,665	866,665
Capital Lease Principal Payments	445,531	225,583
Payment to Refund Bonds	-	26,875,777
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		
(Increase) Decrease in Compensated Absences Payable	(264,365)	147,912
(Increase) Decrease in Claims and Judgments Payable	720,000	(60,000)
(Increase) Decrease in Pension Expense	10,982,183	7,241,798
Amortization of Deferred Amounts on Refunding	(37,905)	(5,487)
Amortization of Premium Received on Issuance of General Obligation Bonds	66,361	10,188
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	7,924	(87,061)
Change in Net Position of Governmental Activities	<u>\$ 14,108,560</u>	<u>\$ 6,423,148</u>

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

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 4,895,000	\$ 5,075,000	\$ 5,076,540	\$ 1,540
Sales and Use	42,545,650	43,085,000	43,148,121	63,121
Other	540,000	540,000	546,951	6,951
Rentals, Leases and Royalties	7,000	7,000	1,975	(5,025)
Tuition	300,000	300,000	232,736	(67,264)
Interest Earnings	531,000	532,000	529,148	(2,852)
Other	3,376,400	3,597,822	4,130,483	532,661
State Sources:				
Unrestricted Grants-in-Aid	159,553,880	159,307,822	159,384,492	76,670
Restricted Grants-in-Aid	<u>1,982,715</u>	<u>2,645,202</u>	<u>2,630,009</u>	<u>(15,193)</u>
Total Revenues	213,731,645	215,089,846	215,680,455	590,609
Expenditures:				
Instruction:				
Regular Programs	97,930,950	100,061,201	98,339,207	1,721,994
Special Programs	28,931,305	28,714,946	28,514,438	200,508
Vocational Programs	2,954,600	3,166,963	3,022,592	144,371
Other Programs	4,612,199	3,876,544	4,002,142	(125,598)
Adult and Continuing Education Programs	109,911	111,911	98,577	13,334
Support Services:				
Pupil Support	12,513,500	12,336,500	12,221,370	115,130
Instructional Staff Support	5,827,800	5,828,300	5,712,581	115,719
General Administration	2,077,700	2,274,925	2,154,291	120,634
School Administration	13,955,796	14,221,426	14,070,650	150,776
Business Services	2,242,650	2,320,150	2,224,437	95,713
Plant Services	15,817,684	15,684,658	14,553,204	1,131,454
Transportation Services	13,237,500	13,660,490	12,939,674	720,816
Central Services	2,259,000	2,248,215	1,998,868	249,347
Community Service Programs	15,001	15,001	15,001	-

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):				
Support Services (Continued):				
Capital Outlay	3,887,100	2,851,000	2,426,361	424,639
Debt Service:				
Principal Retirement	437,000	446,000	445,531	469
Interest and Bank Charges	15,000	15,000	14,432	568
Total Expenditures	206,824,696	207,833,230	202,753,356	5,079,874
 Excess of Revenues Over Expenditures	6,906,949	7,256,616	12,927,099	5,670,483
 Other Financing Sources (Uses):				
Sale of Capital Assets	50,000	50,000	41,127	(8,873)
Other	(488,000)	(535,000)	(533,730)	1,270
Proceeds from Issuance of Debt	1,125,000	1,118,600	1,128,138	9,538
Transfers In	510,000	600,000	646,004	46,004
Transfers Out	(11,457,881)	(14,935,315)	(12,360,165)	2,575,150
 Total Other Financing Sources (Uses)	(10,260,881)	(13,701,715)	(11,078,626)	2,623,089
 Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	(3,353,932)	(6,445,099)	1,848,473	8,293,572
 Fund Balance at Beginning of Year	42,073,559	42,073,559	42,073,559	-
 Fund Balance at End of Year	\$ 38,719,627	\$ 35,628,460	\$ 43,922,032	\$ 8,293,572

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

LIVINGSTON PARISH SCHOOL BOARD**FIDUCIARY FUNDS****STATEMENT OF FIDUCIARY NET POSITION**

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

ASSETS

	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	\$ <u>9,527,291</u>	\$ <u>9,423,075</u>
Total Assets	\$ <u><u>9,527,291</u></u>	\$ <u><u>9,423,075</u></u>

LIABILITIES

Amounts Held for School Activities	\$ 5,633,630	\$ 5,618,224
Deposits Due to Others	<u>3,893,661</u>	<u>3,804,851</u>
Total Liabilities	\$ <u><u>9,527,291</u></u>	\$ <u><u>9,423,075</u></u>

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

INTRODUCTION

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

The School Board operates forty-two schools, an alternative education center, the Livingston Parish Literacy and Technology Center and the Pathways Center, within the parish with a total enrollment of approximately 25,900 pupils. 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.

(1) Summary of Significant Accounting Policies -

A. Basis of Presentation

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

B. Reporting Entity

For financial reporting purposes, the School Board includes all funds, schools, and agencies that are within the oversight responsibility of the School Board. The oversight responsibility derived by the School Board is related to its scope of public service and gives it the authority to establish public schools as it deems necessary. This oversight responsibility also allows the School Board to determine the number of teachers and employees to be employed, to establish the financial interdependency of the funds, to appoint management, and to significantly influence operations and accountability for fiscal matters.

Certain units of local government over which the School Board exercises no oversight responsibility, such as the Parish Council, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Livingston Parish School Board.

The Governmental Accounting Standards Board (GASB) Statement No. 61, the Financial Reporting Entity: Omnibus, established criteria for determining which component units should be considered part of the Livingston Parish School Board for financial reporting purposes. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

1. Legal status of the potential component unit.
2. Financial accountability:
 - a. The primary government appoints a voting majority of the potential component unit's governing body and the primary government is able to impose its will on the potential component unit (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefits/burden relationship between the School Board and the potential component unit, and misleading to exclude which covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

Based on the previous criteria, the School Board's management has determined the following entity to be a discretely presented component unit in the financial reporting entity. At June 30, 2016, no financial transactions have occurred by the entity that would require it to be included in the current year financial statements.

The Livingston Parish Public Benefit Corporation was formed on May 20, 2002 as a private Louisiana nonprofit corporation and a public benefit corporation established for charitable, scientific and educational purposes for the benefit of the Livingston Parish School Board. Once created, the Corporation entered into a cooperative endeavor agreement with the School Board and the Southeastern Educational Foundation (the Foundation), a Louisiana nonprofit corporation and a wholly owned subsidiary of the Southeastern Development Foundation, a Louisiana nonprofit corporation organized for the benefit of Southeastern Louisiana University. Under the terms of the cooperative endeavor agreement, the Corporation entered into a lease for land from the School Board and the Corporation is authorized to sublease the land to the Foundation. In addition, the Foundation is required to construct and operate the Livingston Parish Literacy and Technology Center in accordance with a court order issued in the matter of "*In Re Combustion, Inc.*" Civil Action 94-MDL-4000, United States District Court, Western District of Louisiana. Once the facility is completed, the cooperative endeavor agreement authorizes the Corporation to lease a portion of the completed facility from the Foundation. Due to the substance of the lease the School Board is handling this lease as a capital lease within these financial statements. The initial lease payment of \$1,000,000 was paid by the School Board upon receipt of evidence of substantial completion of the facility which occurred during the year ended June 30, 2006. The School Board was required to make five additional annual lease payments of \$260,475 due on January 1 each year. The School Board has made all payments as required by the agreement. At June 30, 2016, the Livingston Parish Public Benefit Corporation had no assets or liabilities to report.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

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.

Funds of the School Board are classified into two categories: Governmental and Fiduciary, as discussed below.

Governmental Funds

Governmental funds are used to 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:

Governmental Fund Types:

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

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for each district.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto.

Fiduciary Fund Type:

Agency Funds - Agency funds account for assets held by the School Board as an agent for schools and school organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of Section N50.

Program Revenues

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

Allocation of Indirect Expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve many purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

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. The major funds of the School Board are the General Fund and the Capital Projects Fund.

The modified accrual basis of accounting is used by Governmental Funds. 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 (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

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.

Federal and State entitlements (which include state equalization and state revenue sharing) are recorded when available and measurable. Federal and State grants are recorded when the reimbursable expenditures have been incurred.

Sales and use tax revenues are recorded in the month collected by the vendor even though not paid to the School Board until the subsequent month.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Nine-month employee salaries are earned over a 9-month period, but are paid over a 12-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. Principal and interest on general long-term obligations are recognized when due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sale of fixed assets, long-term debt proceeds, bank loan proceeds, etc., are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

E. Budget Practices

The School Board adopts budgets for the General Fund, each Special Revenue Fund, the Debt Service Fund and the Capital Projects Fund.

The proposed budgets for the fiscal year ended June 30, 2016, were made available for public inspection and comments from taxpayers. The budgets, which included proposed expenditures and the means of financing them, were published in the official journal fifteen days prior to the public hearing on the budgets for the year ended June 30, 2016. At this meeting, the proposed budgets were legally adopted by the School Board.

The budgets are prepared on a modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are not recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of parish schools is authorized to transfer between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. Cash and Cash Equivalents

Cash and cash equivalents include interest bearing demand deposits and amounts in time deposits with maturities less than 90 days. Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash and cash equivalents are stated at cost, which approximates market value.

Certificates of deposit with maturities greater than 90 days are classified as investments and are stated at cost, which also approximates market value.

H. Inventory

Inventory of the General Fund is valued at cost and consists of expendable materials and supplies, which are recorded as an expenditure when consumed, using the first-in, first-out method.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out basis) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

I. Capital Assets

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

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 40 to 50 years for buildings, and 6 to 20 years for equipment.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings or other immovable property such as stadiums. Since 2003, if such items are built or constructed, they are capitalized and depreciated over their estimated useful lives.

J. Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position reports a separate section for deferred outflows and (or) inflows of financial resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of a net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

A portion of the School Board's deferred outflows of resources on the statement of net position are a result of deferrals concerning bonded debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Deferred amount on refunding of debt is reported in the deferred outflow section of the statement of net position.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The School Board also has deferred outflows and inflows of resources on the statement of net position that are related to pensions. See pension Note 8.

K. Compensated Absences

All 12-month employees earn from 5 to 20 days of vacation leave each year, depending on their length of service with the School Board. A minimum of 10 vacation days must be used each year with the remaining unused vacation leave accumulated without limitation. The employee has the option to have the accumulated balance paid at termination or used to extend years of service for retirement or the accumulated amount is paid to an authorized representative upon death.

All school board employees earn from 10 to 18 days of sick leave each year, depending upon the number of months employed. Sick leave may be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the twenty-five days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned between July 1, 1988 and June 30, 1990 under the Louisiana Teachers Retirement System and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the retirement benefit computation as earned service. For sick leave earned after June 30, 1990, a maximum of one year of accumulated sick leave earned, which excludes the twenty-five days paid, can be converted to one year of earned service. All remaining accumulated sick leave earned after June 30, 1990, after converting one year of sick leave into one year of earned service, may only be added to the member's service credit if purchased.

Sabbatical leave may only be granted for medical leave and 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. Sabbatical leave benefits are recorded as expenditures in the period paid.

L. Pensions

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Sales and Use Taxes

The School Board receives a two and one-half percent sales and use tax. The sales and use tax is collected by the sales tax department of the School Board and is included in the revenues of the General Fund. The proceeds of the tax are dedicated to the payment of salaries of school teachers and other school employees; the payment of utilities; and constructing, maintaining or operating school buildings and other school related facilities, including the acquisition of sites.

In addition, on October 5, 2002, the voters in School Board District No. 22 approved a ½ percent sales and use tax for the purpose of constructing and acquiring a new elementary school and providing renovations and improvements to the existing buildings within the school district. Also, on September 18, 2004, the voters in School Board District No. 33 approved a one percent sales and use tax for the purpose of constructing and improving or renovating school buildings within the School District.

The School Board is also authorized to collect sales and use taxes levied by the following governmental entities:

Livingston Parish Council
Law Enforcement Subdistrict A
Gravity Drainage District No. 1
Gravity Drainage District No. 2
Gravity Drainage District No. 5
City of Denham Springs
City of Walker
Town of Livingston
Village of Albany
Town of Springfield
Livingston Parish Tourist Commission
Denham Springs Economic Development District
Juban Crossing Economic Development District

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The School Board receives a collection fee that varies by entity and ranges from a high of 4% to a rate of 2% on the first \$1,000,000 collected and then 1.5% on the amounts collected in excess of \$1,000,000 on most entities. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

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

P. Equity Balances

Government-Wide Statements

Equity is classified as net position. Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. It is displayed in three components:

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by:
 - a. External groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
 - b. Law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. The School Board has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the School Board. These amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that are designated as committed by the School Board but are not spendable until a budget ordinance is passed.

Unassigned - All amounts not included in other spendable classifications. The School Board has not adopted a policy to maintain the general fund's unassigned fund balance above a certain minimum level.

The details of the fund balances are included in the Balance Sheet - Governmental Funds (Statement C). As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the School Board. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

Q. Summary Financial Information for 2015 and Reclassifications

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School Board's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Certain items in the 2015 columns have been reclassified to conform to the presentation in the current year financial statements. Such reclassification had no effect on the previous reported deficiency of revenues and other sources over expenditures and other uses or change in net position.

(2) Cash and Cash Equivalents -

The School Board maintains various deposit accounts for the current operations of certain individual funds of the School Board. In addition, it maintains a cash investment pool with the Board's paying agent for all remaining funds. Each fund's portion of the cash and investment pool is included in that fund's Cash and Cash Equivalent account.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The School Board also maintains certificates of deposits with maturities greater than 90 days. These certificates are classified as Investments.

Interest earned on pooled cash and investments is allocated to the participating funds based upon their combined participating balances.

At June 30, 2016, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$97,812,318 and the confirmed bank balances were \$97,837,626. Cash and Cash Equivalents and Investments are stated at cost, which approximates market.

The following is a summary of Cash and Cash Equivalents and Investments at June 30, 2016:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$28,135,027	\$9,527,291	\$37,662,318
Certificates of Deposits	<u>60,150,000</u>	<u>-</u>	<u>60,150,000</u>
Total	<u>\$88,285,027</u>	<u>\$9,527,291</u>	<u>\$97,812,318</u>

Custodial Credit Risk – Deposits and Investments

In the case of deposits, this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it.

To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities 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 bank. 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. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the School Board regardless of its designation by the financial institution in which it is deposited. As of June 30, 2016, none of the School Board's bank balance of \$97,837,626 was exposed to custodial credit risk.

(3) Ad Valorem Taxes -

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land are to be assessed at 15% and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from Ad Valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills the property taxes using the assessed value determined by his office and the Livingston Parish Sheriff actually collects the tax for the Parish of Livingston.

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u>		<u>Levied</u>	
	<u>Millage</u>		<u>Millage</u>	
Parishwide Taxes:				
Constitutional	3.29		3.29	
Additional Support	7.18		7.18	
Maintenance	7.00		7.00	
Construction	5.00		5.00	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
District Taxes -				
Bond and Interest	-	26.10	-	26.10

Any differences between authorized and levied millages are the result of reassessment of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

Total Ad Valorem Taxes Levied	\$17,719,164
Less: Amounts Deemed Uncollectible	<u>(199,001)</u>
Net Ad Valorem Taxes Collectible	<u><u>\$17,520,163</u></u>

Ad Valorem taxes receivable at June 30, 2016, totaled \$78,763.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

(4) Receivables -

The receivables at June 30, 2016, are as follows:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Sales Taxes</u>	<u>Ad Valorem Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 166,507	\$ 221,008	\$3,862,499	\$ 23,113	\$ 3,996	\$311,082	\$ 4,588,205
Capital Projects Fund	-	-	-	11,030	1,905	552	13,487
Nonmajor Funds	<u>5,107,811</u>	<u>-</u>	<u>157,951</u>	<u>44,620</u>	<u>7,913</u>	<u>42,114</u>	<u>5,360,409</u>
Totals	<u>\$5,274,318</u>	<u>\$ 221,008</u>	<u>\$4,020,450</u>	<u>\$ 78,763</u>	<u>\$ 13,814</u>	<u>\$353,748</u>	<u>\$ 9,962,101</u>

(5) Interfund Receivables, Payables - Transfers In, Transfers Out -

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 4,508,371	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Title 1	-	1,741,885
Special Education Fund	-	1,550,049
Special Federal Fund	-	725,128
Other Federal ESEA Fund	<u>-</u>	<u>491,309</u>
Total Special Revenue Funds	<u>-</u>	<u>4,508,371</u>
Total	<u>\$ 4,508,371</u>	<u>\$ 4,508,371</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 646,004	\$12,360,165
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Title 1	-	255,775
Special Education	-	280,159
Maintenance of Schools	2,965,000	-
School Lunch	1,750,000	-
Special Federal	-	56,429
Other Federal ESEA	<u>-</u>	<u>53,641</u>
Total Special Revenue Funds	4,715,000	646,004
Debt Service Funds:		
District No. 4	824,000	-
District No. 31	<u>71,165</u>	<u>-</u>
Total Debt Service Funds	895,165	-
Capital Projects Fund:		
District No. 1	4,250,000	-
District No. 22	2,000,000	-
District No. 25	<u>500,000</u>	<u>-</u>
Total Capital Projects Fund	6,750,000	-
Total	<u>\$13,006,169</u>	<u>\$13,006,169</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2016 is as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 15,129,537	\$ 197,916	\$ -	\$ 15,327,453
Construction in Progress	<u>5,751,039</u>	<u>15,755,854</u>	<u>(9,430,422)</u>	<u>12,076,471</u>
Total Capital Assets not being Depreciated	20,880,576	15,953,770	(9,430,422)	27,403,924
Capital Assets being Depreciated:				
Buildings and Improvements	274,508,262	9,430,422	-	283,938,684
Furniture and Equipment	7,119,846	433,107	(338,687)	7,214,266
Library Books and Textbooks	22,414,785	480,693	(5,296,867)	17,598,611
Vehicles	<u>8,126,775</u>	<u>1,999,158</u>	<u>(927,318)</u>	<u>9,198,615</u>
Total Capital Assets being Depreciated	312,169,668	12,343,380	(6,562,872)	317,950,176
Less: Accumulated Depreciation for:				
Buildings and Improvements	103,390,496	6,308,836	-	109,699,332
Furniture and Equipment	4,500,343	496,915	(337,320)	4,659,938
Library Books and Textbooks	17,770,255	1,871,780	(5,296,867)	14,345,168
Vehicles	<u>4,507,006</u>	<u>747,747</u>	<u>(779,301)</u>	<u>4,475,452</u>
Total Accumulated Depreciation	130,168,100	9,425,278	(6,413,488)	133,179,890
Total Capital Assets being Depreciated, Net	<u>182,001,568</u>	<u>2,918,102</u>	<u>(149,384)</u>	<u>184,770,286</u>
Total Governmental Activities Capital Assets, Net	<u>\$202,882,144</u>	<u>\$18,871,872</u>	<u>\$ (9,579,806)</u>	<u>\$212,174,210</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Depreciation expense of \$9,425,278 for the year ended June 30, 2016 was charged to the following governmental functions:

Instruction:

Regular Education	\$ 1,558,619
Special Education	17,134
Vocational Education	11,179
Other Education Programs	8,592

Support Services:

Instructional Staff Support	471,824
General Administration (Including all Buildings)	6,380,006
School Administration	3,254
Business Services	50,303
Plant Services	177,870
Central Services	37,481
Student Transportation Services	697,815
School Food Services	<u>11,201</u>
Total	<u><u>\$ 9,425,278</u></u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2016, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Employee Benefits and Withholdings</u>	<u>Total</u>
General Fund	\$2,748,653	\$8,614,909	\$13,308,755	\$24,672,317
Capital Projects Fund	2,590,040	-	-	2,590,040
Nonmajor Funds	<u>989,101</u>	<u>776,073</u>	<u>-</u>	<u>1,765,174</u>
Total	<u><u>\$6,327,794</u></u>	<u><u>\$9,390,982</u></u>	<u><u>\$13,308,755</u></u>	<u><u>\$29,027,531</u></u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

(8) Pension Plans

The School Board follows the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68*. These standards revise and establish new financial reporting requirements for governments that provide their employees with pension benefits. These standards require the School Board to record its proportionate share of each of the pension plans net pension liability and report the following disclosures:

General Information about the Pension Plans

Plan Descriptions:

Teachers' Retirement System of Louisiana

Employees of the 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. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

State of Louisiana School Employees' Retirement System

The State of Louisiana School Employees' Retirement System (LSERS) was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes as a cost-sharing multiple employer defined benefit pension plan. LSERS issues a publicly available financial report that can be obtained at www.lasers.net.

Louisiana State Employees' Retirement System

LASERS is a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Benefits Provided:

Teachers' Retirement System of Louisiana

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.

Retirement Benefits:

1. Normal Retirement

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

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

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

Benefit Formula

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

Payment Options

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

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

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 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

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

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

3. Disability 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 18, marriage, or age 23 if enrolled in an approved institution of higher education.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

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

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 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.

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.

State of Louisiana School Employees' Retirement System

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

1. Eligibility Requirements

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week or for part-time employees who have ten years of creditable service in the System as a school bus driver, school janitor, school custodian, school maintenance employee, school bus aide or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the System. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

2. Benefits

Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153.

A member who joined the System on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

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

3. 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 retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

4. 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 regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. 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 DROP program. 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 DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

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.

5. 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 the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

Louisiana Employees' Retirement System

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

4. Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Contributions:

Teachers’ Retirement System of Louisiana

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems’ Actuarial Committee (PRSAC), taking into consideration the recommendation of the System’s actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2016 are as follows:

2016 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.3%
Plan A	9.1%	31.3%
ORP		
2016	8.0%	22.0%

The contractually required composite contribution rate was 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 TRSL from the School Board were \$29,556,679 for the year ended June 30, 2016.

In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$546,951, for the year ended June 30, 2016.

State of Louisiana School Employees’ Retirement System

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. For the year ending June 30, 2016, the employer contribution rate was 30.2% and the employee rate was 8%. Contributions to LSERS from the School Board were \$3,204,160 for the year ended June 30, 2016.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2016 for the plan Regular Employees Pre Act 75 (hired before July 1, 2006) were 7.5% for the employee and 37.2% for the employer. The contribution rates in effect during the year ended June 30, 2016 for the plan Regular Employees Post Act 75 (hired after June 30, 2006) were 8% for the employee and 37.2% for the employer. The status of the plan Regular Employees Pre Act 75 (hired before July 1, 2006) is closed.

The School Board's contractually required composite contribution rate for the year ended June 30, 2016 was 37.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to LASERS from the School Board were \$118,992 for the year ended June 30, 2016.

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

At June 30, 2016, the School Board reported a liability of \$293,823,763 for its proportionate share of the net pension liability of TRSL, LSERS, and LASERS combined. For all plans, the net pension liability was measured as of June 30, 2015 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 plans relative to the projected contributions of all participating employers, actuarially determined. The School Board's proportion at June 30, 2015 and change in proportion measured as of June 30, 2014 is as follows:

<u>Plan</u>	<u>Proportion at June 30, 2015</u>	<u>Change in Proportion</u>
TRSL	2.50888%	-0.06112%
LSERS	3.63994%	0.01854%
LASERS	0.01442%	0.00270%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

For the year ended June 30, 2016, the School Board recognized pension expense as follows:

<u>Plan</u>	<u>Pension Expense</u>
TRSL	\$ 19,594,027
LSERS	2,164,959
LASERS	174,691
	<u>\$ 21,933,677</u>

At June 30, 2016, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRSL	LSERS	LASERS	Total
Deferred Outflows of Resources:				
Differences between expected and actual Experience	\$ -	\$ -	\$ 1,311	\$ 1,311
Changes in Assumptions	-	1,660,246	-	1,660,246
Changes in proportion and differences between Employer contributions and proportionate share of contributions	7,774,240	397,864	182,512	8,354,616
Employer contributions subsequent to the measurement date	29,556,678	3,204,160	118,992	32,879,830
Total Deferred Outflows of Resources	<u>\$ 37,330,918</u>	<u>\$ 5,262,270</u>	<u>\$ 302,815</u>	<u>\$ 42,896,003</u>
	TRSL	LSERS	LASERS	Total
Deferred Inflows of Resources:				
Differences between expected and actual Experience	\$ 3,095,645	\$ 2,058,198	\$ 8,033	\$ 5,161,876
Changes in Assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	5,953,279	1,073,926	887	7,028,092
Changes in proportion and differences between Employer contributions and proportionate share of contributions	6,607,612	23,397	-	6,631,009
Total Deferred Inflows of Resources	<u>\$ 15,656,536</u>	<u>\$ 3,155,521</u>	<u>\$ 8,920</u>	<u>\$ 18,820,977</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

\$32,879,830 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2017	\$ (3,575,760)	\$ (550,029)	\$ 98,600	\$ (4,027,189)
2018	(3,575,760)	(570,053)	62,488	(4,083,325)
2019	(3,575,760)	(548,298)	(7,351)	(4,131,409)
2020	2,844,984	570,969	21,166	3,437,119
	<u>\$ (7,882,296)</u>	<u>\$ (1,097,411)</u>	<u>\$ 174,903</u>	<u>\$ (8,804,804)</u>

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 for all plans are as follows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Inflation	2.50%	2.75%	3.00%
Investment rate of return	7.75%	7.00%	7.75%
Salary increases	3.5% to 10% - varies depending on duration of service	Varies based on years of service.	3% to 5.5%

For TRSL, the mortality rates were projected based on RP-2000 Mortality Table with projections to 2025 using Scale AA.

For LSERS, the mortality rates were based on RP-2000 Combined Healthy Sex Distinct Mortality Table.

For LASERS, mortality rates were based on RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members.

For all plans' cost of living adjustments, the present value of future retirement benefits is based on benefits currently being paid by the Systems and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

For TRSL, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges 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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the TRSL's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Domestic Equity	31%	4.71%
International Equity	19%	5.69%
Domestic Fixed Income	14%	2.04%
International Fixed Income	7%	2.80%
Alternative	29%	5.94%
Total	100%	

For LSERS, 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 geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income	30%	1.06%
Equity	51%	3.61%
Alternative	13%	0.89%
Real Assets	6%	0.44%
Total	100%	6.00%
Inflation		2.30%
Expected Arithmetic Nominal Return		8.30%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

For LASERS 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Cash	0%	0.24%
Domestic Equity	27%	4.56%
International equity	30%	4.67%
Domestic Fixed Income	10%	2.24%
International Fixed Income	2%	3.64%
Alternative Investments	24%	7.82%
Global Asset Allocation	7%	3.70%
Total	<u>100%</u>	5.66%

Discount Rate

The discount rate used to measure the total pension liability was 7.75% for TRSL and 7.75% for LASERS which were no changes from the prior measurement date of June 30, 2014. For LSERS, the discount rate used to measure the total pension liability was 7.00% which was a decrease of .25 % from its prior measurement date of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

TRSL:	Changes in Discount Rate		
	Current		
	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Net pension liability	\$ 341,346,913	\$ 269,761,283	\$ 208,877,557

LSERS:	Changes in Discount Rate		
	Current		
	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Net pension liability	\$ 31,708,864	\$ 23,081,854	\$ 15,705,048

LASERS:	Changes in Discount Rate		
	Current		
	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Net pension liability	\$ 1,237,781	\$ 980,626	\$ 762,267

Pension Plans Fiduciary Net Position

TRSL issued a stand-alone audit report on its financial statements for the year ended June 30, 2015. Access to the audit report can be found on the System’s website: www.trsl.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

LSERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2015. Access to the audit report can be found on the System’s website: www.lasers.net or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Detailed information about LASERS’ pension plan’s fiduciary net position is available in the separately issued LASERS 2015 Comprehensive Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Payables to the Pension Plans

At June 30, 2016 included in liabilities are payables to the pension plans as follows: TRSL \$5,514,262, LSERS \$502,072, and LASERS \$21,593. These payables are normal legally required contributions to the pension plans.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Deferred Compensation Plan -

In addition to the above mentioned retirement plans, on May 5, 1994, the School Board adopted a resolution establishing a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All part-time, seasonal and temporary employees of the School Board are eligible to participate in this plan. Participation in this plan is at a rate of 7.5% of compensation with contributions to the plan funded 1.3% by the employer and 6.2% by the employee. During the current fiscal year, total contributions to the plan amounted to \$393,576 which consisted of \$68,221 from the School Board and \$325,355 from the employees.

The School Board has implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the School Board's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the School Board's financial statements as of June 30, 2016.

(9) **Changes in Agency Fund Deposits Due Others -**

A summary of changes in agency fund deposits due others follows:

	<u>School Activity Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance - June 30, 2015	\$ 5,618,224	\$ 3,804,851	\$ 9,423,075
Additions	14,053,469	94,224,523	108,277,992
Deductions	<u>(14,038,063)</u>	<u>(94,135,713)</u>	<u>(108,173,776)</u>
Balance - June 30, 2016	<u>\$ 5,633,630</u>	<u>\$ 3,893,661</u>	<u>\$ 9,527,291</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

(10) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2016:

	Bonded Debt	Certificates of Indebtedness	Capital Lease	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Long-Term Obligations -							
July 1, 2015	\$ 86,442,734	\$ 3,800,010	\$ 865,953	\$ 13,032,963	\$ 2,850,000	\$ 49,094,409	\$ 156,086,069
Additions	-	-	1,128,138	3,898,387	837,569	18,089,010	23,953,104
Amortization of Premium Received on Issuance of Bond	(66,361)	-	-	-	-	-	(66,361)
Deductions	(4,995,000)	(866,665)	(445,531)	(3,634,022)	(1,557,569)	(8,736,333)	(20,235,120)
Long-Term Obligations -							
June 30, 2016	<u>\$ 81,381,373</u>	<u>\$ 2,933,345</u>	<u>\$ 1,548,560</u>	<u>\$ 13,297,328</u>	<u>\$ 2,130,000</u>	<u>\$ 58,447,086</u>	<u>\$ 159,737,692</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2016:

	Bonded Debt	Certificates of Indebtedness	Capital Lease	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Current Portion	\$ 4,764,129	\$ 866,665	\$ 431,711	\$ 3,324,332	\$ -	\$ -	\$ 9,386,837
Long-Term Portion	76,617,244	2,066,680	1,116,849	9,972,996	2,130,000	58,447,086	150,350,855
Total	<u>\$ 81,381,373</u>	<u>\$ 2,933,345</u>	<u>\$ 1,548,560</u>	<u>\$ 13,297,328</u>	<u>\$ 2,130,000</u>	<u>\$ 58,447,086</u>	<u>\$ 159,737,692</u>

Bonded Debt

All of the School Board's bonds outstanding at June 30, 2016 in the amount of \$79,110,000 consist of general obligation bonds with final maturities from 2017 to 2034 and interest rates from .1 percent to 5.00 percent. Bond principal and interest payable in the next fiscal year is \$4,764,129 and \$2,969,372, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation					
Bonds - Secured					
by Ad Valorem Taxes:					
School District No. 1:					
12/01/07	\$26,000,000	3.88-5.00%	2027	\$ 62,000	\$ 1,240,000
05/28/15	\$16,285,000	3.50-5.00%	2027	4,601,449	16,285,000
School District No. 4:					
08/04/14	\$8,500,000	2.00-4.00%	2024	1,302,450	7,675,000
12/30/14	\$25,000,000	3.00-5.00%	2034	10,450,512	24,025,000
School District No. 22:					
06/01/10	\$20,000,000	2.00-4.13%	2030	5,322,693	16,270,000
11/01/11	\$10,000,000	3.00-5.00%	2031	3,142,036	8,540,000
06/07/12	\$7,165,000	1.95%	2022	276,900	4,120,000
School District No. 33:					
01/01/05	\$1,750,000	3.75-5.00%	2024	<u>194,761</u>	<u>955,000</u>
Total General Obligation Bonds				<u>25,352,801</u>	<u>79,110,000</u>
Total Bonded Debt				<u>\$ 25,352,801</u>	<u>\$ 79,110,000</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 and the avails of a ½% sales and use tax within School Board District No. 22 within Livingston Parish. At June 30, 2016 the School Board has accumulated \$4,301,970 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Year Ending June 30,	Principal Payments	Interest Payments	Total
2017	\$ 4,695,000	\$ 2,969,372	\$ 7,664,372
2018	4,615,000	2,796,799	7,411,799
2019	4,810,000	2,642,306	7,452,306
2020	5,005,000	2,483,340	7,488,340
2021	5,235,000	2,294,335	7,529,335
2022-2026	26,635,000	8,282,119	34,917,119
2027-2031	21,150,000	3,381,443	24,531,443
2032 to 2034	6,965,000	503,087	7,468,087
	79,110,000	\$ 25,352,801	\$ 104,462,801
Unamortized Premium On Bond Issuance	2,271,373		
	\$ 81,381,373		

Prior Years Advance Refundings

On August 5, 2014, the School Board issued \$8,500,000 General Obligation School Refunding Bonds, Series 2014 for School District No. 4 for the purpose of refunding \$8,705,000 of the outstanding balance of the General Obligation School Refunding Bonds Series 2005 for School District No. 4 and interest associated with the Series 2005 Bonds. The net proceeds of \$9,051,613 (after payment of \$151,563 in cost of issuance plus an additional \$108,800 of the sinking fund monies) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 9 years by \$563,953 and resulted in an economic gain of \$491,385.

On May 28, 2015, the School Board issued \$16,285,000 General Obligation School Refunding Bonds, Series 2014 for School District No. 1 for the purpose of refunding \$16,590,000 of the outstanding balance of the General Obligation School Refunding Bonds Series 2007 for School District No. 1 and interest associated with the Series 2007 Bonds. The net proceeds of \$17,824,164 (after payment of \$248,058 in cost of issuance plus an additional \$66,359 of the sinking fund monies) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 12 years by \$606,552 and resulted in an economic gain of \$509,481.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The advance refunding of the Series 2005 Bonds and the Series 2007 Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$346,613 and \$1,097,714, respectively, which were deferred and are being amortized over the life of the new bonds. These differences are reported in the accompanying financial statements as Deferred Outflow of Resources and are being charged to operations as components of interest expense. At June 30, 2016, the unamortized balance is \$1,410,685. Also, as a result of the advance refunding of the Series 2005 Bonds and the Series 2007 Bonds, \$8,705,000 of the 2005 Series Bonds and \$16,590,000 of the 2007 Series Bonds were considered in-substance defeased and the liability for those bonds were removed from the School Board's books. At June 30, 2016, \$16,590,000 of the the 2007 Series defeased bonds are still outstanding. The 2005 Series defeased bonds were paid off and none are outstanding at June 30, 2016.

On June 7, 2012, the School Board issued \$7,165,000 of general obligation school refunding bonds, series 2012 for the purpose of refunding the outstanding balance of the Series 1996, 2002 and 2003 bonds. The 2012 Series bonds are scheduled to mature on March 1, 2022. The outstanding principal balance of the general obligation, series 1996, 2002 and 2003 bonds as of the refunding date of June 7, 2012, was \$5,940,000, \$1,035,000, and \$475,000, respectively. This advance refunding was undertaken to decrease total debt service payments over the next 5 years by \$698,052 and resulted in an economic gain of \$634,085.

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government, State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. At June 30, 2016, the principal balance on the defeased bonds is \$250,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is reported as a Deferred Outflow of Resources and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. At June 30, 2016, the unamortized balance is \$4,060. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,206.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2016, the statutory limit is approximately \$253,410,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$79,110,000.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Certificates of Indebtedness

On October 1, 2009, the School Board issued two Qualified School Construction Bonds (QSCB) Certificates of Indebtedness Series 2009 A for \$8,000,000 in School District 4 and Series 2009 B for \$1,000,000 in School District 31. The QSCB were allocated to the School Board by the Louisiana Department of Education from its allocation received by section 54F of the Internal Revenue Code and according to provisions of section 1521 of the American Recovery and Reinvestment Act. Under the provisions of the QSCB program, the School Board was able to borrow the funds at a .75% interest rate and the bank loaning the funds receives a tax credit of 25% of 5.96% credit rate on the outstanding balance of the bonds. The actual interest on these Certificates of Indebtedness is 2.24% after factoring the tax credits received by the bank. The following schedule lists the Certificates of Indebtedness outstanding by District:

	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
Certificates of Indebtedness					
School District No. 4:					
10/01/09	\$8,000,000	0.75%	2019	\$ 36,000	\$ 2,400,000
School District No. 31:					
10/01/09	\$1,000,000	0.75%	2024	<u>18,000</u>	<u>533,345</u>
Total Certificates of Indebtedness				<u>\$ 54,000</u>	<u>\$ 2,933,345</u>

The Certificates of Indebtedness are due, by years, along with actual interest and interest saved is as follows:

Year Ending June 30	Principal Payments	Interest Payments at 0.75%	Total	Interest Payments at 2.24%	Interest Saved Under QSCB
2017	\$ 866,665	\$ 22,000	\$ 888,665	\$ 65,707	\$ 43,707
2018	866,665	15,500	882,165	46,294	30,794
2019	866,665	9,000	875,665	26,880	17,880
2020	66,665	2,500	69,165	7,467	4,967
2021	66,665	2,000	68,665	5,974	3,974
2022 to 2024	<u>200,020</u>	<u>3,000</u>	<u>203,020</u>	<u>8,961</u>	<u>5,961</u>
	<u>\$ 2,933,345</u>	<u>\$ 54,000</u>	<u>\$ 2,987,345</u>	<u>\$ 161,283</u>	<u>\$ 107,283</u>

As indicated in the above schedule, the School Board will pay \$54,000 in interest using the 0.75% rate instead of \$161,283 using the 2.24% rate or a difference of \$107,283. The difference or contribution is netted with interest expense in the debt service fund.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Capital Lease Payable

The School Board entered into a capital lease agreement on October 28, 2015, for financing the purchase of fourteen school buses at a cost of \$1,128,138. The lease requires 5 annual payments of principal and interest of \$234,380. The first payment was due at inception of lease with a final payment due on October 28, 2019. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2016, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2016</u>
Capital lease to finance the purchase of fourteen school buses	\$1,128,138	1.94%	10/28/2019	\$893,758

The School Board entered into a capital lease agreement on August 22, 2014, for financing the purchase of fourteen school buses at a cost of \$1,091,536. The lease requires 5 annual payments of principal and interest of \$225,583. The first payment was due at inception of lease with a final payment due on August 22, 2018. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2016, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2016</u>
Capital lease to finance the purchase of fourteen school buses	\$1,091,536	1.84%	08/22/18	\$654,803

Capital lease payments to maturity including interest requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2017	\$ 431,711	\$ 28,252	\$ 459,963
2018	439,500	20,463	459,963
2019	447,429	12,534	459,963
2020	229,920	4,460	234,380
	<u>\$ 1,548,560</u>	<u>\$ 65,709</u>	<u>\$ 1,614,269</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Compensated Absences

At June 30, 2016, employees of the School Board have accumulated and vested \$13,297,329 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Post-Employment Benefits

Plan Description. The Livingston Parish School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region.

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB Codification Section P50) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. It has been assumed that the Humana Medicare Advantage program will be elected by 20% of retirees in the future. Most of the employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on or after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit.

Life insurance coverage under the OGB program is available to retirees by election and a blended rate (active and retired) is used. The employer pays 50% of the blended rate cost of the retiree life insurance. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2007, the Livingston Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (the Livingston Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2016 and 2015, the Livingston Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$8,736,333 and \$8,157,509, respectively.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Effective July 1, 2007, the Livingston Parish School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution. The Livingston Parish School Board’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal Cost	\$ 6,422,827
30-year UAL amortization amount	<u>12,541,542</u>
Annual required contribution (ARC)	<u>\$ 18,964,369</u>

Net Post-employment Benefit Obligation (Asset). The table below shows the Livingston Parish School Board’s Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2016:

1. Net OPEB Obligation – Beginning of Year	\$ 49,094,409
2. Annual Required Contribution	18,964,369
3. Interest on Net OPEB Obligation	1,963,776
4. ARC Adjustment	<u>2,839,135</u>
5. OPEB Cost [2] + [3] - [4]	18,089,010
6. Contribution	-
7. Current Year Retiree Premium Paid	<u>8,736,333</u>
8. Change in Net OPEB Obligation [5] - [6] - [7]	<u>9,352,677</u>
9. Net OPEB Obligation (Asset) – End of Year [1] + [8]	<u><u>\$ 58,447,086</u></u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The following table shows Livingston Parish School Board’s annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2014	\$ 16,751,690	45.09%	\$ 39,972,221
June 30, 2015	\$ 17,279,697	47.21%	\$ 49,094,409
June 30, 2016	\$ 18,089,010	48.30%	\$ 58,447,087

Funded Status and Funding Progress. In 2016 and 2015 the Livingston Parish School Board made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2016 was \$225,544,104 which is defined as that portion, as determined by a particular actuarial cost method (the Livingston Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability (AAL)	\$ 225,544,104
Actuarial Value of Plan Assets (AVPA)	-
Unfunded Act. Accrued Liability (UAAL)	\$ 225,544,104
Funded Ratio (AVPA ÷ UAAL)	0%
Covered Payroll (active plan members)	\$ 128,129,883
UAAL as a percentage of covered payroll	176.03%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Livingston Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Livingston Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Livingston Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets. There are no assets as the School Board has not established a separate trust to hold the separate plan assets as of June 30, 2016. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. (three years in the D.R.O.P. plus an additional three years) as described above under the heading "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB rates provided are "unblended" rates for active and retired as required by GASB Codification Section P50 for valuation purposes. It has been assumed that the Humana Medicare Advantage program will be elected by 20% of retirees in the future.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	FY 2014	FY 2015	FY 2016
OPEB Cost	\$ 16,751,690	\$ 17,279,697	\$ 18,089,010
Contribution	-	-	-
Retiree Premium	7,553,249	8,157,509	8,736,333
Total Contribution and Premium	7,553,249	8,157,509	8,736,333
Change in Net OPEB Obligation	\$ 9,198,441	\$ 9,122,188	\$ 9,352,677
% of Contribution to Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium to Cost	45.09%	47.21%	48.30%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

(11) Risk Management/Fund Balances Assigned To Insurance -

Property Damage Insurance

The School Board continues to carry an excess coverage insurance policy to cover annual losses in excess of \$100,000 and has assigned \$936,048 of fund balance of the General Fund at June 30, 2016, to cover the cost of future property damage not covered by insurance.

General Liability Insurance

The School Board is exposed to losses relating to any potential general liability claim it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for liability claims. The School Board has an excess coverage insurance policy to cover annual losses in excess of \$250,000.

The School Board made disbursements for liability claims of \$8,420 in the fiscal year ended June 30, 2016. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2016, amounted to \$672,766.

Each year the School Board compares the claims paid and the assigned fund balance for general liability insurance to determine the amount of funds to be set aside that year. At June 30, 2016, the School Board has assigned \$2,490,296 of the fund balance of the General Fund to cover future general liability damage claims.

Worker's Compensation Insurance

The School Board is exposed to losses relating to any potential worker's compensation claims it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for worker's compensation claims. The School Board has purchased an excess coverage insurance policy to cover worker's compensation claims in excess of \$400,000.

Each year the School Board compares the claims paid and the assigned fund balance for worker's compensation insurance to determine the amount of funds to be set aside that year. At June 30, 2016, the School Board has assigned \$358,988 of the fund balance of the General Fund to cover future worker's compensation damage claims.

All workers' compensation claims are paid out of the General Fund resources. The School Board made disbursements for worker's compensation claims of \$1,263,267 in the fiscal year ended June 30, 2016. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2016, amounted to \$1,457,234.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

A certificate of deposit in the amount of \$150,000 purchased by the School Board in the name of the Office of Workers' Compensation through the Department of Employment and Training is held in trust for the School Board.

(12) Fund Balance - General Fund - Assigned To Other Post Employment Benefits -

During the current fiscal year, the School Board has assigned \$3,138,321 in the General Fund to be used to fund the Other Post Employment Benefits trust fund plan when adopted.

(13) Fund Equity - Committed to Capital Projects Fund and Maintenance of Schools Fund -

The Capital Projects Fund shows total fund equity of \$19,790,905. A summary of commitments under construction contracts for each individual school district at June 30, 2016, follows:

	Capital Projects			Maintenance of Schools			Special Revenue Fund - Public Law 94-142 - Special Education		
	Project Authorization	Expended to June 30, 2016	Unexpended Commitment	Project Authorization	Expended to June 30, 2016	Unexpended Commitment	Project Authorization	Expended to June 30, 2016	Unexpended Commitment
District #1	\$ 3,855,867	\$ 1,631,275	\$ 2,224,592	\$ 374,109	\$ 305,089	\$ 69,020	\$ -	\$ -	\$ -
District #4	3,169,753	6,535,492	25,162,061	-	-	-	-	-	-
District #22	5,266,149	2,691,515	2,574,634	-	-	-	-	-	-
District #25	726,609	583,993	142,616	-	-	-	-	-	-
District #31	17,170	17,170	-	-	-	-	-	-	-
Parish-Wide	-	-	-	203,844	163,405	40,439	148,532	148,532	-
Total	\$ 41,563,348	\$ 11,459,445	\$ 30,103,903	\$ 577,953	\$ 468,494	\$ 109,459	\$ 148,532	\$ 148,532	\$ -

	Total All Funds		
	Project Authorization	Expended to June 30, 2016	Unexpended Commitment
District #1	\$ 4,229,976	\$ 1,936,364	\$ 2,293,612
District #4	3,169,753	6,535,492	25,162,061
District #22	5,266,149	2,691,515	2,574,634
District #25	726,609	583,993	142,616
District #31	17,170	17,170	-
Parish-Wide	352,376	311,937	40,439
Total	\$ 42,289,833	\$ 12,076,471	\$ 30,213,362

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Capital Projects Fund - Fund Balance and Unexpended Commitments:

	Fund Balance at June 30, 2016	District Unexpended Commitment June 30, 2016	Actual Fund Balances Less Commitment June 30, 2016
District #1	\$ 341,499	\$ 2,224,592	\$ (1,883,093)
District #4	16,584,477	25,162,061	(8,577,584)
District #22	647,518	2,574,634	(1,927,116)
District #24	259,207	142,616	116,591
District #25	158,053	-	158,053
District #26	369,779	-	369,779
District #27	479,125	-	479,125
District #31	439,458	-	439,458
District #32	262,760	-	262,760
District #33	249,029	-	249,029
Total	<u>\$ 19,790,905</u>	<u>\$ 30,103,903</u>	<u>\$ (10,312,998)</u>

At June 30, 2016 the unexpended commitments are recorded in the Capital Projects Fund as fund balance committed to contracts to the extent of available fund balances of \$17,716,110. The unavailable amount of \$12,387,793 will have to be resolved in future years by anticipated Property Tax revenues and General Fund Transfers.

(14) Fund Balance - General Fund - Restricted For -

Salaries - In May 1967, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of paying salaries of the employees of the School Board. In addition, in October 1987 the voters of Livingston Parish approved the levy of an additional 1/2 of 1% sales tax, 80% of which is restricted for the purpose of paying salaries of the employees of the School Board. At June 30, 2016, a balance of \$-0- is restricted for salaries as a result of these sales tax levies.

Construction, Utilities, and Maintenance - In May 1978, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of construction, renovation, operation and maintenance of the public schools of Livingston Parish. Also, the remaining 20% of the 1/2 of 1% sales tax approved in 1987, is restricted to pay the cost of utility services of the public schools of Livingston Parish. At June 30, 2016, a balance of \$21,489,419 is restricted for utilities and maintenance as a result of these sales tax levies.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Educational Excellence - In the current year and prior years, the School Board received payments from the State of Louisiana in connection with the State's settlement of its lawsuit with the tobacco industry. These funds can only be spent on classroom improvements as required by the State. Accordingly, the unspent monies at June 30, 2016 of \$350,578 are reflected as a restriction of fund balance.

(15) Litigation and Claims -

At June 30, 2016, the School Board is involved in several lawsuits. It is the opinion of the legal adviser for the School Board that the ultimate resolution of these lawsuits will not involve any material liability to the School Board in excess of insurance coverage and amounts recorded in these financial statements.

(16) Summary of Parish Sales Tax Collections Remitted to Other Taxing Authorities -

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51(B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year 2016.

	Total <u>Collections</u>	Collection <u>Cost</u>	Final <u>Distribution</u>
Livingston Parish Council	\$ 17,043,798	\$ 247,039	\$ 16,796,759
Law Enforcement Subdistrict A	8,674,302	133,137	8,541,165
Livingston Parish Drainage Districts:			
No. 1	1,578,199	22,659	1,555,540
No. 2	961,189	19,224	941,965
No. 5	1,741,998	31,137	1,710,861
City of Denham Springs	7,354,484	109,286	7,245,198
City of Walker	3,922,466	63,847	3,858,619
Town of Livingston	463,227	9,290	453,937
Village of Albany	362,623	7,252	355,371
Town of Springfield	431,160	8,793	422,367
Livingston Parish Tourist Commission	346,580	10,397	336,183
Denham Springs Economic Development District	3,999,206	177,313	3,821,893
Juban Crossing Economic Development District	2,400,096	99,618	2,300,478
Total	<u>\$ 49,279,328</u>	<u>\$ 938,992</u>	<u>\$ 48,340,336</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

(17) Current Accounting Pronouncements -

In June 2015, the Governmental Accounting Standards Board issued GASB Statement No 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces Statements No. 43 , *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57 , *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25 , *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43 , and Statement No. 50 , *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016.

In June 2015, the Governmental Accounting Standards Board issued GASB Statement No 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45 , *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57 , *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017.

In August 2015, the Governmental Accounting Standards Board issued GASB Statement No 77 - *Tax Abatement Disclosures*. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs. Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

The requirements of GASB No. 77 are effective for financial statements for periods beginning after December 15, 2015.

In December 2015, the Governmental Accounting Standards Board issued GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

In January 2016, the Governmental Accounting Standards Board issued GASB Statement No 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

In March 2016, the Governmental Accounting Standards Board issued GASB Statement No 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts-or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements-in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

In March 2016, the Governmental Accounting Standards Board issued GASB Statement No 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67 , *Financial Reporting for Pension Plans*, No. 68 , *Accounting and Financial Reporting for Pensions*, and No. 73 , *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68* , and *Amendments to Certain Provisions of GASB Statements 67 and 68* . Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

Management is currently evaluating the effects of each of the new GASB pronouncements.

18) Subsequent Event -

From August 11, 2016 through August 15, 2016, a weather system that stalled over southeast Louisiana dumped up to 20 inches of rain in many places, and perhaps as much as 36 inches in other places causing catastrophic flooding of thousands of homes and businesses. The school system had eight schools that suffered severe flood damage, two had serious damage and three had mild damage.

In order to begin the healing process and move forward as one system, all Livingston Parish schools reopened on September 12, 2016. Most students returned to their regular school campuses. However, one middle and three high schools were sent as a group to nearby campuses and two elementary schools were assigned to different campuses. On October 3, 2016, Springfield High returned to their regular campus. Students from Denham Springs High and Denham Springs Freshman High will return to their home campuses for the start of the second semester on January 5, 2017, while two other schools will relocate to temporary campuses at that time. Southside Elementary and Junior High students will relocate to temporary campuses next to Juban Parc

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

Elementary and Junior High. The temporary campus for Denham Springs Elementary is scheduled to open near the end of January. More than 95 percent of all students enrolled in Livingston Parish schools for the 2016-2017 school year have returned to school since classes restarted after the flood and others are expected to return in January after the semester break.

Economically, things have already started turning around. More and more businesses are opening each day. Less than two years after it opened, Livingston Parish's only main shopping center, Juban Crossing, was inundated with four feet of flood waters. The majority of the 30+ retail establishments have already reopened with only one store not reopening and a spokesperson for the development stated they will be announcing more new tenants soon.

The School Board applied for federal assistance to assist with the cleanup and remediation of the affected campuses. While the full extent of the damages to the properties are not known at this time, based upon preliminary analysis, management does not anticipate any material adverse effect on the School Board's operations. However, until the full consequences of this flood event are realized, there is uncertainty of the effect, if any, that this event may have on the School Board's future revenue sources as well as rebuilding of the affected locations.

Management has evaluated subsequent events through December 27, 2016, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN

FOR THE YEAR ENDED JUNE 30, 2016*

	<u>2016</u>	<u>2015</u>
<u>Teachers' Retirement System of Louisiana:</u>		
Employer's Proportion of the Net Pension Liability	2.50888%	2.57000%
Employer's Proportionate Share of the Net Pension Liability	\$ 269,761,283	\$262,690,448
Employer's Covered-Employee Payroll	\$ 111,319,585	\$ 110,632,857
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	242.33%	237.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension	62.47%	63.65%
<u>State of Louisiana School Employees' Retirement System:</u>		
Employer's Proportion of the Net Pension Liability	3.63994%	3.62140%
Employer's Proportionate Share of the Net Pension Liability	\$ 23,081,854	\$ 20,992,658
Employer's Covered-Employee Payroll	\$ 10,323,143	\$ 10,155,219
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	223.59%	206.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension	74.49%	76.18%
<u>Louisiana State Employees' Retirement System:</u>		
Employer's Proportion of the Net Pension Liability	0.01442%	0.01172%
Employer's Proportionate Share of the Net Pension Liability	\$ 980,626	\$ 733,025
Employer's Covered-Employee Payroll	\$ 325,509	\$ 230,983
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	301.26%	317.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension	62.66%	65.02%

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

*For TRSL, LSERS, and LASERS, the amounts presented have a measurement date of the previous fiscal year end.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF CONTRIBUTIONS BY PLAN

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
<u>Teachers' Retirement System of Louisiana:</u>		
Contractually Required Contributions	\$ 29,558,885	\$ 31,140,077
Contributions in Relation to Contractually Required Contribution	<u>29,558,885</u>	<u>31,140,077</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Employee Payroll	\$ 112,486,220	\$ 111,319,585
Contributions as a % of Covered Employee Payroll	26.28%	27.97%
<u>State of Louisiana School Employees' Retirement System:</u>		
Contractually Required Contributions	\$ 3,204,293	\$ 3,406,637
Contributions in Relation to Contractually Required Contribution	<u>3,204,293</u>	<u>3,405,111</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 1,526</u>
Employer's Covered Employee Payroll	\$ 10,610,241	\$ 10,323,143
Contributions as a % of Covered Employee Payroll	30.20%	32.99%
<u>Louisiana State Employees' Retirement System:</u>		
Contractually Required Contributions	\$ 119,991	\$ 120,438
Contributions in Relation to Contractually Required Contribution	<u>119,681</u>	<u>119,500</u>
Contribution Deficiency (Excess)	<u>\$ 310</u>	<u>\$ 938</u>
Employer's Covered Employee Payroll	\$ 322,558	\$ 325,509
Contributions as a % of Covered Employee Payroll	37.10%	36.71%

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

See auditor's report.

Livingston Parish School Board

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

State of Louisiana School Employees' Retirement System:

Changes in Actuarial Assumptions

Amounts reported in fiscal year ended June 30, 2015 for the State of Louisiana School Employees' Retirement System (LSERS) reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for LSERS was reduced by .25% to 7.00% as of the valuation date June 30, 2015. Other changes are as follows:

Valuation Date	June 30, 2015	June 30, 2014
Inflation Rate	2.75%	3.00%

Louisiana State Employees' Retirement System:

Changes of Benefit Terms include:

- A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
- Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014 .

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2016.

SCHEDULES REQUIRED BY STATE LAW

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

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

President and Members of the
Livingston Parish School Board
Livingston, Louisiana

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

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources (Schedule 3)

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

- Nonpublic Transportation Revenue.

(No Differences Noted)

Education Levels of Public School Staff (Schedule 4)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 6) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

(No Differences Noted)

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 6) to the combined total of principals and assistant principals per this schedule.

(No Differences Noted)

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s education level was properly classified on the schedule.

(No Differences Noted)

Number and Type of Public Schools (Schedule 5)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

(No Differences Noted)

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 6)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in Procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

We noted two employees’ years of experience were incorrect by one year. One employee was set up at fourteen years of experience when the actual years of experience was fifteen. There was no overpayment or underpayment of salary due to the pay scale is the same for fourteen and fifteen years of experience. Another employee was set up and paid at twenty years of experience when the actual years of experience was nineteen. Due to the incorrect years of experience being set up, the employee was over paid \$1,027.

Public School Staff Data: Average Salaries (Schedule 7)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.

Of the two exceptions noted in step 6 above, only one caused an employee to be over paid by \$1,027 because of the years of experience being incorrect.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

(No Differences Noted)

Class Size Characteristics (Schedule 8)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

(No Differences Noted)

Louisiana Educational Assessment Program (LEAP) (Schedule 9)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.

(No Differences Noted)

Graduation Exit Exam (GEE) (Schedule 10)

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.

iLEAP Tests (Schedule 11)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.

(No Differences Noted)

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Livingston Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Harris J. Bourgeois, CPA

Denham Springs, Louisiana
December 27, 2016

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

FOR THE YEAR ENDED JUNE 30, 2016

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 75,552,935	
Other Instructional Staff Activities	9,349,203	
Instructional Staff Employee Benefits	41,448,977	
Purchased Professional and Technical Services	391,481	
Instructional Materials and Supplies	5,750,414	
Instructional Equipment	119,032	
Total Teacher and Student Interaction Activities		\$ 132,612,042
Other Instructional Activities		1,385,370
Pupil Support Services	12,221,370	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		12,221,370
Instructional Staff Services	5,712,581	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		5,712,581
School Administration	14,070,650	
Less: Equipment for School Administration	-	
Net School Administration		14,070,650
Total General Fund Instructional Expenditures (Total of Column B)		\$ 166,002,013
Total General Fund Equipment Expenditures		\$ 2,426,361

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$ 1,595,207
Renewable Ad Valorem Tax	3,481,333
Debt Service Ad Valorem Tax	6,625,299
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	546,951
Sales and Use Taxes	45,028,606
Total Local Taxation Revenue	<u>\$ 57,277,396</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 1,910
Earnings from Other Real Property	1,542
Total Local Earnings on Investment in Real Property	<u>\$ 3,452</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 152,511
Revenue Sharing - Other Taxes	759,774
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 912,285</u>

Nonpublic Textbook Revenue	<u>\$ -</u>
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Nonpublic Transportation Revenue	<u>\$ -</u>
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See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2015

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	11	1%	0	0%	0	0%	0	0%
Bachelor's Degree	1172	73%	0	0%	1	1%	0	0%
Master's Degree	322	19%	0	0%	44	61%	0	0%
Master's Degree + 30	74	5%	0	0%	25	35%	0	0%
Specialist in Education	8	1%	0	0%	2	3%	0	0%
Ph. D. or Ed. D.	8	1%	0	0%	0	0%	0	0%
Total	1,595	100%	0	0%	72	100%	0	0%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2016

Type	Number
Elementary	23
Middle/Jr. High	8
Secondary	9
Combination	2
Total	42

Note: Schools opened or closed during the fiscal year are included in this schedule.

LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS, ASSISTANT PRINCIPALS,
AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2015

	0-1 Yr.	2-3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	2	3	14	4	3	26
Principals	-	-	-	3	15	10	18	46
Classroom Teachers	191	84	487	254	225	181	173	1,595
Total	191	84	489	260	254	195	194	1,667

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES

FOR THE YEAR ENDED JUNE 30, 2016

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$ 49,244	\$ 49,176
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 48,542	\$ 48,475
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	1,567	1,554

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g. extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2015

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	48.0%	1,430	48.0%	1,446	4.0%	114	0.0%	-
Elementary Activity Classes	30.0%	174	63.0%	364	7.0%	40	0.0%	-
Middle/Jr. High	34.0%	533	37.0%	586	28.0%	452	1.0%	11
Middle/Jr. High Activity Classes	30.0%	96	19.0%	58	26.0%	84	25.0%	79
High	51.0%	1,434	24.0%	689	24.0%	682	1.0%	12
High Activity Classes	81.0%	520	9.0%	59	5.0%	34	5.0%	33
Combination	81.0%	477	13.0%	78	5.0%	31	1.0%	2
Combination Activity Classes	80.0%	93	9.0%	10	8.0%	9	3.0%	4

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)

FOR THE YEAR ENDED JUNE 30, 2016

District Achievement Level Results	English Language Arts			Mathematics		
	2016	2015	2014	2016	2015	2014
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	12%	5%	8%	9%	3%	18%
Mastery	47%	48%	37%	45%	39%	30%
Basic	28%	34%	41%	31%	35%	36%
Approaching Basic	11%	11%	10%	13%	19%	11%
Unsatisfactory	2%	2%	4%	2%	4%	5%
Total	100%	100%	100%	100%	100%	100%
District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	6%	5%	5%	N/A	3%	2%
Mastery	23%	23%	22%	N/A	20%	21%
Basic	54%	53%	56%	N/A	60%	61%
Approaching Basic	14%	16%	15%	N/A	12%	12%
Unsatisfactory	3%	3%	2%	N/A	5%	4%
Total	100%	100%	100%	N/A	100%	100%
District Achievement Level Results	English Language Arts			Mathematics		
	2016	2015	2014	2016	2015	2014
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	12%	4%	5%	2%	3%	6%
Mastery	54%	44%	24%	42%	40%	7%
Basic	25%	31%	48%	29%	25%	65%
Approaching Basic	7%	14%	19%	21%	19%	15%
Unsatisfactory	2%	7%	4%	6%	13%	7%
Total	100%	100%	100%	100%	100%	100%
District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	5%	5%	4%	N/A	3%	3%
Mastery	34%	29%	31%	N/A	22%	24%
Basic	44%	46%	48%	N/A	52%	54%
Approaching Basic	13%	15%	14%	N/A	14%	13%
Unsatisfactory	4%	5%	3%	N/A	9%	6%
Total	100%	100%	100%	N/A	100%	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

GRADUATION EXIT EXAM (GEE)

FOR THE YEAR ENDED JUNE 30, 2016

The Graduation Exit Examination is no longer administered. This schedule is no longer applicable.

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS

FOR THE YEAR ENDED JUNE 30, 2016

District Achievement Level Results	English Language Arts			Mathematics		
	2016	2015	2014	2016	2015	2014
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	2%	9%	12%	7%	16%
Mastery	46%	49%	31%	48%	40%	26%
Basic	28%	26%	41%	26%	31%	40%
Approaching Basic	16%	16%	12%	11%	17%	12%
Unsatisfactory	7%	7%	7%	3%	5%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8%	7%	7%	N/A	2%	2%
Mastery	28%	26%	27%	N/A	23%	21%
Basic	48%	48%	47%	N/A	56%	55%
Approaching Basic	12%	14%	14%	N/A	13%	15%
Unsatisfactory	4%	5%	5%	N/A	6%	7%
Total	100%	100%	100%	N/A	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2016	2015	2014	2016	2015	2014
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	1%	8%	9%	3%	6%
Mastery	45%	41%	27%	38%	31%	18%
Basic	32%	37%	47%	32%	34%	55%
Approaching Basic	15%	17%	13%	17%	28%	12%
Unsatisfactory	3%	4%	5%	4%	4%	9%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	4%	6%	N/A	5%	5%
Mastery	23%	21%	24%	N/A	16%	18%
Basic	52%	50%	52%	N/A	55%	59%
Approaching Basic	17%	19%	15%	N/A	17%	13%
Unsatisfactory	4%	6%	3%	N/A	7%	5%
Total	100%	100%	100%	N/A	100%	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

District Achievement Level Results	English Language Arts			Mathematics		
	2016	2015	2014	2016	2015	2014
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7%	3%	7%	4%	2%	12%
Mastery	45%	41%	30%	31%	29%	16%
Basic	33%	37%	47%	37%	39%	56%
Approaching Basic	12%	15%	11%	24%	26%	11%
Unsatisfactory	3%	4%	5%	4%	4%	5%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8%	7%	8%	N/A	14%	15%
Mastery	26%	26%	29%	N/A	18%	21%
Basic	45%	49%	47%	N/A	48%	49%
Approaching Basic	16%	15%	13%	N/A	16%	11%
Unsatisfactory	5%	3%	3%	N/A	4%	4%
Total	100%	100%	100%	N/A	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2016	2015	2014	2016	2015	2014
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	15%	8%	10%	2%	2%	10%
Mastery	41%	37%	27%	31%	27%	19%
Basic	29%	30%	47%	41%	40%	57%
Approaching Basic	12%	18%	13%	22%	23%	9%
Unsatisfactory	3%	7%	3%	4%	8%	5%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	10%	8%	10%	N/A	9%	12%
Mastery	32%	34%	34%	N/A	25%	25%
Basic	40%	39%	39%	N/A	46%	48%
Approaching Basic	14%	14%	13%	N/A	14%	11%
Unsatisfactory	4%	5%	4%	N/A	6%	4%
Total	100%	100%	100%	N/A	100%	100%

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION

MAJOR CAPITAL PROJECTS FUND - BY DISTRICT

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund excludes those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

LIVINGSTON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 1,715,044	\$ 2,073,577	\$ 1,236,489	\$ 359,147	\$ 185,190	\$ 369,157
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	15,000,000	-	-	-	-
Receivables	4,745	3,070	2,179	995	358	622
Total Assets	\$ 1,719,789	\$ 17,076,647	\$ 1,238,668	\$ 360,142	\$ 185,548	\$ 369,779
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ 1,378,290	\$ 492,170	\$ 591,150	\$ 100,935	\$ 27,495	\$ -
Total Liabilities	1,378,290	492,170	591,150	100,935	27,495	-
Fund Equity:						
Fund Balances:						
Committed To:						
Contracts	341,499	16,584,477	647,518	-	142,616	-
Assigned To:						
Capital Projects	-	-	-	259,207	15,437	369,779
Total Fund Equity	341,499	16,584,477	647,518	259,207	158,053	369,779
Total Liabilities and Fund Equity	\$ 1,719,789	\$ 17,076,647	\$ 1,238,668	\$ 360,142	\$ 185,548	\$ 369,779

See auditor's report.

Schedule 12

SCHOOL DISTRICTS				TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	2016	2015
\$ 478,440	\$ 439,273	\$ 262,316	\$ 248,825	\$ 7,367,458	\$ 11,764,074
-	-	-	-	15,000,000	15,000,000
<u>685</u>	<u>185</u>	<u>444</u>	<u>204</u>	<u>13,487</u>	<u>16,779</u>
<u>\$ 479,125</u>	<u>\$ 439,458</u>	<u>\$ 262,760</u>	<u>\$ 249,029</u>	<u>\$ 22,380,945</u>	<u>\$ 26,780,853</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,590,040	\$ 2,185,708
-	-	-	-	2,590,040	2,185,708
-	-	-	-	17,716,110	3,339,159
<u>479,125</u>	<u>439,458</u>	<u>262,760</u>	<u>249,029</u>	<u>2,074,795</u>	<u>21,255,986</u>
<u>479,125</u>	<u>439,458</u>	<u>262,760</u>	<u>249,029</u>	<u>19,790,905</u>	<u>24,595,145</u>
<u>\$ 479,125</u>	<u>\$ 439,458</u>	<u>\$ 262,760</u>	<u>\$ 249,029</u>	<u>\$ 22,380,945</u>	<u>\$ 26,780,853</u>

LIVINGSTON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BY DISTRICT**

FOR THE YEAR ENDED JUNE 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 785,969	\$ 575,252	\$ 408,494	\$ 186,417	\$ 67,151	\$ 116,613
Interest Earnings	11,842	139,929	6,148	2,795	1,009	1,760
Other	-	-	-	-	-	-
State Sources:						
Unrestricted						
Grants-in-Aid	73,534	52,875	38,074	17,122	6,217	10,971
Total Revenues	871,345	768,056	452,716	206,334	74,377	129,344
Expenditures:						
Support Services:						
General Administration	30,987	22,281	16,044	7,215	2,620	4,623
Capital Outlay	5,174,611	5,867,347	2,485,472	155,955	585,320	2,305
Total Expenditures	5,205,598	5,889,628	2,501,516	163,170	587,940	6,928
Excess (Deficiency) of Revenues over Expenditures	(4,334,253)	(5,121,572)	(2,048,800)	43,164	(513,563)	122,416
Other Financing Sources (Uses):						
Issuance of Long Term Debt	-	-	-	-	-	-
Transfers In	4,250,000	-	2,000,000	-	500,000	-
Total Other Financing Sources	4,250,000	-	2,000,000	-	500,000	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(84,253)	(5,121,572)	(48,800)	43,164	(13,563)	122,416
Fund Balances at Beginning of Year	425,752	21,706,049	696,318	216,043	171,616	247,363
Fund Balances at End of Year	\$ 341,499	\$ 16,584,477	\$ 647,518	\$ 259,207	\$ 158,053	\$ 369,779

See auditor's report.

Schedule 13

SCHOOL DISTRICTS				TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	2016	2015
\$ 128,478	\$ 34,420	\$ 83,408	\$ 38,064	\$ 2,424,266	\$ 2,331,860
1,924	513	1,267	585	167,772	75,048
-	-	-	-	-	5,824
<u>11,760</u>	<u>3,086</u>	<u>8,043</u>	<u>3,605</u>	<u>225,287</u>	<u>231,227</u>
142,162	38,019	92,718	42,254	2,817,325	2,643,959
4,956	1,301	3,389	1,519	94,935	91,024
<u>2,540</u>	<u>680</u>	<u>1,648</u>	<u>752</u>	<u>14,276,630</u>	<u>10,561,445</u>
<u>7,496</u>	<u>1,981</u>	<u>5,037</u>	<u>2,271</u>	<u>14,371,565</u>	<u>10,652,469</u>
134,666	36,038	87,681	39,983	(11,554,240)	(8,008,510)
-	-	-	-	-	25,000,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,750,000</u>	<u>3,425,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,750,000</u>	<u>28,425,000</u>
134,666	36,038	87,681	39,983	(4,804,240)	20,416,490
<u>344,459</u>	<u>403,420</u>	<u>175,079</u>	<u>209,046</u>	<u>24,595,145</u>	<u>4,178,655</u>
<u>\$ 479,125</u>	<u>\$ 439,458</u>	<u>\$ 262,760</u>	<u>\$ 249,029</u>	<u>\$ 19,790,905</u>	<u>\$ 24,595,145</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Elementary and Secondary Education Act (ESEA) Title I Fund – ESEA Title I are federal funds administered by the state and granted for programs for economically and educationally deprived school children to help ensure that all children meet state academic content and student academic achievement standards. The funds supplement rather than supplant activities that are state or locally mandated.

Individuals with Disabilities Education Act (IDEA) Fund - The IDEA (Special Education) fund accounts for a federally financed program of free education in the least restrictive environment for children with exceptionalities, as provided for under Public Law 94-142.

Maintenance of Schools Fund - The Maintenance of Schools Fund is funded by ad valorem taxes levied on all assessed property in the parish. The net proceeds of the taxes are dedicated to providing maintenance on all of the equipment and facilities owned by the School Board.

School Food Service Fund - The School Food Service Fund is used to account for the operations of the school food service program in the School System during the regular school year. The basic goals of the program is to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

Special Federal Fund - The Special Federal Fund is used to account for various federal funds not reported elsewhere. Some of the programs include vocational education, preschool programs and adult education.

Other Federal ESEA Fund - The Other Federal ESEA Fund is used to account for all other ESEA programs except for the Title I program. Those programs include Title II (Teacher and Principal Training and Recruiting Fund) and Title III (English Language Acquisition Grants) programs, as well as various other programs.

DEBT SERVICE FUND

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

The debt service fund is used to accumulate monies for the payment of bond issues. The bonds were issued by the respective school districts to acquire and improve sites, erect and/or improve school buildings, and acquire the necessary equipment and furnishings. The bond issues are financed by a special property tax levy on property within the territorial limits of the respective school districts and by one percent of the two and one-half percent parish sales and use tax collected by the School Board.

LIVINGSTON PARISH SCHOOL BOARD

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

ASSETS	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Title 1	Special Education	Maintenance of Schools	School Lunch
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,265,270	\$ 438,713
Receivables	1,886,321	1,783,324	18,124	42,111
Inventory	-	-	-	339,964
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ 1,886,321	\$ 1,783,324	\$ 3,283,394	\$ 820,788
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 144,436	\$ 233,275	\$ 799,115	\$ 366,617
Due to Other Funds	1,741,885	1,550,049	-	-
Total Liabilities	1,886,321	1,783,324	799,115	366,617
Fund Equity:				
Fund Balances - Nonspendable:				
Inventory	-	-	-	339,964
Restricted For:				
Debt Service	-	-	-	-
Maintenance of Schools	-	-	2,374,820	-
Committed To:				
Contracts	-	-	109,459	-
Assigned To:				
School Lunch Program	-	-	-	114,207
Total Fund Balances	-	-	2,484,279	454,171
Total Liabilities and Fund Equity	\$ 1,886,321	\$ 1,783,324	\$ 3,283,394	\$ 820,788

See auditor's report.

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2016	2015
\$ -	\$ -	\$ 4,109,609	\$ 7,813,592	\$ 5,574,997
862,678	575,490	192,361	5,360,409	5,631,421
-	-	-	339,964	358,312
-	-	-	-	1,500,000
<u>\$ 862,678</u>	<u>\$ 575,490</u>	<u>\$ 4,301,970</u>	<u>\$ 13,513,965</u>	<u>\$ 13,064,730</u>
\$ 137,550	\$ 84,181	\$ -	\$ 1,765,174	\$ 1,811,793
725,128	491,309	-	4,508,371	4,484,199
<u>862,678</u>	<u>575,490</u>	<u>-</u>	<u>6,273,545</u>	<u>6,295,992</u>
-	-	-	339,964	206,141
-	-	4,301,970	4,301,970	4,099,712
-	-	-	2,374,820	2,157,881
-	-	-	109,459	305,004
-	-	-	114,207	-
-	-	4,301,970	7,240,420	6,768,738
<u>\$ 862,678</u>	<u>\$ 575,490</u>	<u>\$ 4,301,970</u>	<u>\$ 13,513,965</u>	<u>\$ 13,064,730</u>

LIVINGSTON PARISH SCHOOL BOARD

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Title 1	Special Education	Maintenance of Schools	School Lunch
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ 3,394,058	\$ -
Sales Taxes	-	-	-	-
Interest Earnings	-	-	15,321	310
Food Services	-	-	-	3,072,806
Other	-	-	-	93,660
State Sources - Unrestricted:				
Grants-in-Aid	-	-	218,800	402,250
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	255,775	280,159	-	-
Restricted Grants-in-Aid - Subgrants	4,828,594	5,294,774	-	7,035,544
Other - Commodities	-	-	-	767,777
	5,084,369	5,574,933	3,628,179	11,372,347
Expenditures:				
Instruction:				
Regular Programs	-	-	164,626	-
Special Programs	-	1,537,286	-	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	4,401,003	-	-	-
Support Services:				
Pupil Support	-	1,924,716	-	-
Instructional Staff Support	340,338	1,633,505	-	-
General Administration	-	-	132,908	-
School Administration	9,220	-	-	-
Business Services	-	-	-	-
Plant Services	-	4,097	4,745,644	-
Transportation Services	-	24,755	-	-
Food Services	-	-	-	12,874,317

(CONTINUED)

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2016	2015
\$ -	\$ -	\$ 6,625,299	\$ 10,019,357	\$ 9,863,088
-	-	1,880,485	1,880,485	1,787,998
-	-	36,607	52,238	44,044
-	-	-	3,072,806	2,879,476
-	-	23,838	117,498	76,951
-	-	-	621,050	626,814
56,429	53,641	-	646,004	592,923
2,250,213	1,056,317	-	20,465,442	19,345,445
-	-	-	767,777	755,643
<u>2,306,642</u>	<u>1,109,958</u>	<u>8,566,229</u>	<u>37,642,657</u>	<u>35,972,382</u>
-	-	-	164,626	17,328
6,349	-	-	1,543,635	1,822,728
301,478	-	-	301,478	267,271
123,147	-	-	123,147	128,473
1,744,440	195,145	-	6,340,588	5,766,750
54,073	-	-	1,978,789	1,618,649
17,433	856,772	-	2,848,048	2,303,366
-	-	260,481	393,389	554,646
-	-	-	9,220	7,412
601	-	-	601	656
-	4,400	-	4,754,141	5,025,717
2,692	-	-	27,447	25,723
-	-	-	12,874,317	13,507,355

LIVINGSTON PARISH SCHOOL BOARD

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Title 1	Special Education	Maintenance of Schools	School Lunch
Expenditures (Continued):				
Community Service Programs	78,033	15,978	-	-
Capital Outlay	-	154,437	1,528,607	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	4,828,594	5,294,774	6,571,785	12,874,317
Excess (Deficiency) of Revenues Over Expenditures	255,775	280,159	(2,943,606)	(1,501,970)
Other Financing Sources (Uses):				
Bond Proceeds	-	-	-	-
Premium on Bond Issuance	-	-	-	-
Bond Issuance Cost	-	-	-	-
Transfers In	-	-	2,965,000	1,750,000
Transfers Out	(255,775)	(280,159)	-	-
Payment to Refund Bonds	-	-	-	-
Total Other Financing Sources (Uses)	(255,775)	(280,159)	2,965,000	1,750,000
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	21,394	248,030
Fund Balances at Beginning of Year	-	-	2,462,885	206,141
Fund Balances at End of Year	\$ -	\$ -	\$ 2,484,279	\$ 454,171

See auditor's report.

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2016	2015
-	-	-	94,011	94,741
-	-	-	1,683,044	1,599,778
-	-	5,861,665	5,861,665	5,806,665
-	-	3,136,990	3,136,990	2,714,260
<u>2,250,213</u>	<u>1,056,317</u>	<u>9,259,136</u>	<u>42,135,136</u>	<u>41,261,518</u>
56,429	53,641	(692,907)	(4,492,479)	(5,289,136)
-	-	-	-	24,785,000
-	-	-	-	2,315,239
-	-	-	-	(426,213)
-	-	895,165	5,610,165	6,411,665
(56,429)	(53,641)	-	(646,004)	(592,923)
-	-	-	-	(26,875,777)
<u>(56,429)</u>	<u>(53,641)</u>	<u>895,165</u>	<u>4,964,161</u>	<u>5,616,991</u>
-	-	202,258	471,682	327,855
-	-	4,099,712	6,768,738	6,440,883
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,301,970</u>	<u>\$ 7,240,420</u>	<u>\$ 6,768,738</u>

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - ELEMENTARY AND SECONDARY
EDUCATION ACT - TITLE 1STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 4,680,638	\$ 6,139,193	\$ 5,084,369	\$ (1,054,824)
Total Revenues	4,680,638	6,139,193	5,084,369	(1,054,824)
Expenditures:				
Instruction - Other Programs	3,933,385	5,283,694	4,401,003	882,691
Support Services:				
Instructional Staff Support	433,138	452,009	340,338	111,671
School Administration	8,650	9,650	9,220	430
Community Services Programs	70,000	85,000	78,033	6,967
Total Expenditures	4,445,173	5,830,353	4,828,594	1,001,759
Excess of Revenues Over Expenditures	235,465	308,840	255,775	(53,065)
Other Financing Sources (Uses):				
Transfers Out	(235,465)	(308,840)	(255,775)	53,065
Total Other Financing Sources (Uses)	(235,465)	(308,840)	(255,775)	53,065
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - PUBLIC LAW 94-142 -
SPECIAL EDUCATIONSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 4,846,389	\$ 9,643,433	\$ 5,574,933	\$ (4,068,500)
Total Revenues	4,846,389	9,643,433	5,574,933	(4,068,500)
Expenditures:				
Instruction:				
Special Programs	1,258,577	4,565,779	1,537,286	3,028,493
Support Services:				
Pupil Support	1,709,541	2,241,624	1,924,716	316,908
Instructional Staff Support	1,586,034	2,018,612	1,633,505	385,107
Plant Services	-	10,000	4,097	5,903
Transportation Services	13,000	49,000	24,755	24,245
Community Service Programs	16,440	31,715	15,978	15,737
Capital Outlay	20,000	250,000	154,437	95,563
Total Expenditures	4,603,592	9,166,730	5,294,774	3,871,956
Excess of Revenues Over Expenditures	242,797	476,703	280,159	(196,544)
Other Financing Sources (Uses):				
Transfers Out	(242,797)	(476,703)	(280,159)	196,544
Total Other Financing Sources (Uses)	(242,797)	(476,703)	(280,159)	196,544
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - MAINTENANCE OF SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 3,300,000	\$ 3,350,000	\$ 3,394,058	\$ 44,058
Interest Earnings	19,000	19,000	15,321	(3,679)
State Sources:				
Unrestricted:				
Grants-in-Aid	224,564	218,800	218,800	-
Total Revenues	3,543,564	3,587,800	3,628,179	40,379
Expenditures:				
Instruction:				
Regular Programs	25,000	206,000	164,626	41,374
Support Services:				
General Administration	127,433	132,908	132,908	-
Plant Services	6,367,176	6,514,721	4,745,644	1,769,077
Capital Outlay	1,141,774	1,588,729	1,528,607	60,122
Total Expenditures	7,661,383	8,442,358	6,571,785	1,870,573
Excess (Deficiency) of Revenues Over Expenditures	(4,117,819)	(4,854,558)	(2,943,606)	1,910,952
Other Financing Sources (Uses):				
Transfers In	4,230,000	4,365,000	2,965,000	(1,400,000)
Total Other Financing Sources (Uses)	4,230,000	4,365,000	2,965,000	(1,400,000)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	112,181	(489,558)	21,394	510,952
Fund Balance at Beginning of Year	2,462,885	2,462,885	2,462,885	-
Fund Balance at End of Year	\$ 2,575,066	\$ 1,973,327	\$ 2,484,279	\$ 510,952

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
SPECIAL REVENUE FUND - SCHOOL LUNCH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Interest Earnings	\$ 250	\$ 250	\$ 310	\$ 60
Food Services	2,876,200	2,914,640	3,072,806	158,166
Other	100,000	100,000	93,660	(6,340)
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	7,234,000	7,035,600	7,035,544	(56)
Other - Commodities	762,567	762,567	767,777	5,210
Total Revenues	<u>11,375,267</u>	<u>11,215,307</u>	<u>11,372,347</u>	<u>157,040</u>
Expenditures:				
Support Services:				
Food Services	<u>13,372,388</u>	<u>12,904,288</u>	<u>12,874,317</u>	<u>29,971</u>
Total Expenditures	<u>13,372,388</u>	<u>12,904,288</u>	<u>12,874,317</u>	<u>29,971</u>
Deficiency of Revenues Over Expenditures	(1,997,121)	(1,688,981)	(1,501,970)	187,011
Other Financing Sources (Uses):				
Transfers In	<u>2,125,000</u>	<u>2,125,000</u>	<u>1,750,000</u>	<u>(375,000)</u>
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	127,879	436,019	248,030	(187,989)
Fund Balance at Beginning of Year	<u>206,141</u>	<u>206,141</u>	<u>206,141</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 334,020</u>	<u>\$ 642,160</u>	<u>\$ 454,171</u>	<u>\$ (187,989)</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD**SPECIAL REVENUE FUND - SPECIAL FEDERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,525,687	\$ 2,430,386	\$ 2,306,642	\$ (123,744)
Total Revenues	1,525,687	2,430,386	2,306,642	(123,744)
Expenditures:				
Instruction:				
Special Programs	-	12,330	6,349	5,981
Vocational Programs	252,401	299,595	301,478	(1,883)
Adult and Continuing Education Program	118,352	127,669	123,147	4,522
Other Programs	1,007,204	1,842,019	1,744,440	97,579
Support Services:				
Pupil Support	45,085	58,085	54,073	4,012
Instructional Staff Support	37,964	23,872	17,433	6,439
Business Services	656	600	601	(1)
Transportation Services	5,022	5,022	2,692	2,330
Total Expenditures	<u>1,466,684</u>	<u>2,369,192</u>	<u>2,250,213</u>	<u>118,979</u>
Excess of Revenues Over Expenditures	59,003	61,194	56,429	(4,765)
Other Financing Sources (Uses):				
Transfers Out	<u>(59,003)</u>	<u>(61,194)</u>	<u>(56,429)</u>	<u>4,765</u>
Total Other Financing Sources (Uses)	<u>(59,003)</u>	<u>(61,194)</u>	<u>(56,429)</u>	<u>4,765</u>
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - OTHER FEDERAL ESEA FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 839,817	\$ 2,108,315	\$ 1,109,958	\$ (998,357)
Total Revenues	839,817	2,108,315	1,109,958	(998,357)
Expenditures:				
Instruction:				
Other Programs	252,446	420,993	195,145	225,848
Support Services:				
Plant Services	-	25,000	4,400	20,600
Instructional Staff Support	546,543	1,557,859	856,772	701,087
Total Expenditures	798,989	2,003,852	1,056,317	947,535
Excess of Revenues Over Expenditures	40,828	104,463	53,641	(50,822)
Other Financing Sources (Uses):				
Transfers Out	(40,828)	(104,463)	(53,641)	50,822
Total Other Financing Sources (Uses)	(40,828)	(104,463)	(53,641)	50,822
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

ASSETS	SCHOOL DISTRICTS						
	NO. 1	NO. 4	NO. 4-1	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 558,282	\$ 801,465	\$ 507,687	\$ 1,608,363	\$ 172,541	\$ 57,292	\$ 56,556
Investments	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	157,951	-	-	-
Due from Other Government	<u>13,652</u>	<u>4,821</u>	<u>7,914</u>	<u>4,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 571,934</u>	<u>\$ 806,286</u>	<u>\$ 515,601</u>	<u>\$ 1,770,671</u>	<u>\$ 172,541</u>	<u>\$ 57,292</u>	<u>\$ 56,556</u>
LIABILITIES AND FUND EQUITY							
Accounts, Salaries and Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
Fund Equity -							
Fund Balances:							
Restricted For:							
Debt Service	<u>571,934</u>	<u>806,286</u>	<u>515,601</u>	<u>1,770,671</u>	<u>172,541</u>	<u>57,292</u>	<u>56,556</u>
Total Fund Equity	<u>571,934</u>	<u>806,286</u>	<u>515,601</u>	<u>1,770,671</u>	<u>172,541</u>	<u>57,292</u>	<u>56,556</u>
Total Liabilities and Fund Equity	<u>\$ 571,934</u>	<u>\$ 806,286</u>	<u>\$ 515,601</u>	<u>\$ 1,770,671</u>	<u>\$ 172,541</u>	<u>\$ 57,292</u>	<u>\$ 56,556</u>

See auditor's report.

Schedule 17

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2016	2015
\$ 82,855	\$ 86,000	\$ 19,522	\$ 159,046	\$ 4,109,609	\$ 2,414,275
-	-	-	-	-	1,500,000
-	-	-	-	157,951	148,916
25	-	2,867	774	34,410	45,338
<u>\$ 82,880</u>	<u>\$ 86,000</u>	<u>\$ 22,389</u>	<u>\$ 159,820</u>	<u>\$ 4,301,970</u>	<u>\$ 4,108,529</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,817
-	-	-	-	-	8,817
82,880	86,000	22,389	159,820	4,301,970	4,099,712
82,880	86,000	22,389	159,820	4,301,970	4,099,712
<u>\$ 82,880</u>	<u>\$ 86,000</u>	<u>\$ 22,389</u>	<u>\$ 159,820</u>	<u>\$ 4,301,970</u>	<u>\$ 4,108,529</u>

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BY DISTRICT

FOR THE YEAR ENDED JUNE 30, 2016

(With Comparative Totals for the Year Ended June 30, 2015)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 4-1	NO. 22	NO. 24	NO. 25
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 2,126,953	\$ 1,101,177	\$ 1,890,431	\$ 1,133,796	\$ 89	\$ -
Sales Taxes	-	-	-	1,880,485	-	-
Other	-	23,838	-	-	-	-
Interest Earnings	12,639	7,553	5,667	4,702	1,333	460
Total Revenues	<u>2,139,592</u>	<u>1,132,568</u>	<u>1,896,098</u>	<u>3,018,983</u>	<u>1,422</u>	<u>460</u>
Expenditures:						
Support Service:						
General Administration	82,915	43,574	74,234	45,065	-	-
Debt Service:						
Principal Retirement	1,160,000	1,610,000	410,000	2,125,000	-	-
Interest and Bank Charges	748,978	304,175	896,263	1,117,471	-	-
Total Expenditures	<u>1,991,893</u>	<u>1,957,749</u>	<u>1,380,497</u>	<u>3,287,536</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	147,699	(825,181)	515,601	(268,553)	1,422	460
Other Financing Sources (Uses):						
Bond Proceeds	-	-	-	-	-	-
Premium on Bond Issuance	-	-	-	-	-	-
Bond Issuance Cost	-	-	-	-	-	-
Transfers In	-	824,000	-	-	-	-
Payment to Refund Bonds	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>824,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	147,699	(1,181)	515,601	(268,553)	1,422	460
Fund Balances at Beginning of Year	<u>424,235</u>	<u>807,467</u>	<u>-</u>	<u>2,039,224</u>	<u>171,119</u>	<u>56,832</u>
Fund Balances at End of Year	<u>\$ 571,934</u>	<u>\$ 806,286</u>	<u>\$ 515,601</u>	<u>\$ 1,770,671</u>	<u>\$ 172,541</u>	<u>\$ 57,292</u>

See auditor's report

SCHOOL DISTRICTS					TOTAL DEBT SERVICE FUND	
NO. 26	NO. 27A	NO. 31	NO. 32A	NO. 33	2016	2015
\$ -	\$ 35	\$ -	\$ 220,449	\$ 152,369	\$ 6,625,299	\$ 6,598,511
-	-	-	-	-	1,880,485	1,787,998
-	-	-	-	-	23,838	-
800	902	235	1,208	1,108	36,607	33,621
<u>800</u>	<u>937</u>	<u>235</u>	<u>221,657</u>	<u>153,477</u>	<u>8,566,229</u>	<u>8,420,130</u>
-	-	-	8,779	5,914	260,481	376,295
-	-	171,665	290,000	95,000	5,861,665	5,806,665
-	-	10,467	14,915	44,721	3,136,990	2,714,260
<u>-</u>	<u>-</u>	<u>182,132</u>	<u>313,694</u>	<u>145,635</u>	<u>9,259,136</u>	<u>8,897,220</u>
800	937	(181,897)	(92,037)	7,842	(692,907)	(477,090)
-	-	-	-	-	-	24,785,000
-	-	-	-	-	-	2,315,239
-	-	-	-	-	-	(426,213)
-	-	71,165	-	-	895,165	901,665
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,875,777)</u>
-	-	71,165	-	-	895,165	699,914
800	937	(110,732)	(92,037)	7,842	202,258	222,824
<u>55,756</u>	<u>81,943</u>	<u>196,732</u>	<u>114,426</u>	<u>151,978</u>	<u>4,099,712</u>	<u>3,876,888</u>
\$ <u>56,556</u>	\$ <u>82,880</u>	\$ <u>86,000</u>	\$ <u>22,389</u>	\$ <u>159,820</u>	\$ <u>4,301,970</u>	\$ <u>4,099,712</u>

FIDUCIARY FUNDS

School Activity Fund - The School Activity Fund accounts for monies generated by the individual schools and school organizations within the parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

Sales Tax Fund - The Sales Tax Fund accounts for the collection and distribution of a two and one-half percent sales and use tax levied by the School Board, a one and one-half percent sales and use tax levied by the City of Denham Springs and the Village of Springfield, a one percent sales and use tax levied by the Village of Albany, the Town of Livingston, the City of Walker, the Livingston Parish Council, and School Board Sales Tax District No 33, and a one-half percent sales and use tax levied by Law Enforcement Subdistrict A, Gravity Drainage District No. 1, Gravity Drainage District No. 2, Gravity Drainage District No. 5 and School Board Sales Tax District No. 22, and a hotel/motel tax levied by the Livingston Parish Tourist Commission.

The Sales Tax Fund also collects sales taxes from businesses located within the Denham Springs Economic Development District and remits the sales taxes to the following various taxing districts net of the percentage pledged in accordance with terms of a cooperative endeavor agreement. The percent of sales taxes pledged to the District is remitted to the Denham Springs Economic Development District to repay bonds issued to develop the District:

Entity	Sales and Use Tax Percent	Percent of Sales Tax Pledged to District
City of Denham Springs	1.50%	71.42857%
Livingston Parish Law Enforcement District	.50%	71.42857%
Livingston Parish School Board - General Fund	1.00%	100.00000%
Livingston Parish School Board - 2nd Sales Tax	1.00%	0.00000%
Livingston Parish School Board - District #1	.50%	100.00000%
Livingston Parish Council	1.00%	71.42857%
Livingston Parish Gravity Drainage District #1	.50%	71.42857%
	6.00%	

In addition, the Sales Tax Fund collects sales taxes from businesses located within the Juban Crossing Economic Development District and remits the sales taxes to the following various taxing districts net of the percentage pledged in accordance with terms of a cooperative endeavor agreement. The percent of sales taxes pledged to the District is remitted to the Juban Crossing Economic Development District to repay bonds issued to develop the District:

Entity	Sales and Use Tax Percent	Percent of Sales Tax Pledged to District
Juban Crossing Economic Development District	2.00%	100.00%
Livingston Parish Law Enforcement District	.50%	0.00%
Livingston Parish School Board - General Fund	1.00%	0.00%
Livingston Parish School Board - 2nd Sales Tax	1.00%	0.00%
Livingston Parish School Board - District #1	.50%	0.00%
Livingston Parish Council	1.00%	40.00%
Livingston Parish Gravity Drainage District #1	.50%	40.00%
	6.50%	

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

(With Comparative Totals as of June 30, 2015)

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total Fiduciary Funds</u>	
			<u>2016</u>	<u>2015</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,633,630	\$ 3,893,661	\$ 9,527,291	\$ 9,423,075
Total Assets	<u>\$ 5,633,630</u>	<u>\$ 3,893,661</u>	<u>\$ 9,527,291</u>	<u>\$ 9,423,075</u>
LIABILITIES				
Amounts Held for School Activities	\$ 5,633,630	\$ -	\$ 5,633,630	\$ 5,618,224
Deposits Due to Others	<u>-</u>	<u>3,893,661</u>	<u>3,893,661</u>	<u>3,804,851</u>
Total Liabilities	<u>\$ 5,633,630</u>	<u>\$ 3,893,661</u>	<u>\$ 9,527,291</u>	<u>\$ 9,423,075</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

School	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Albany High	\$ 54,651	\$ 610,844	\$ 599,519	\$ 65,976
Albany Middle School	169,345	409,467	447,146	131,666
Albany Upper Elementary	20,293	106,224	97,573	28,944
Albany Lower Elementary	90,379	124,601	146,592	68,388
Denham Springs High	299,833	1,582,040	1,553,345	328,528
Denham Springs Freshman High	154,051	213,824	196,304	171,571
Denham Springs Junior High	249,245	407,494	421,696	235,043
Denham Springs Elementary	77,020	139,886	135,829	81,077
Doyle High	125,476	402,674	401,259	126,891
Doyle Elementary	113,494	150,361	149,336	114,519
Eastside Elementary	103,875	157,266	153,504	107,637
French Settlement High	176,163	341,234	341,536	175,861
French Settlement Elementary	181,666	57,025	66,189	172,502
Freshwater Elementary	76,239	112,799	127,402	61,636
Frost Elementary	53,142	144,750	136,130	61,762
Gray's Creek Elementary	70,429	188,668	167,184	91,913
Holden High	211,054	496,484	510,193	197,345
Juban Parc Junior High	130,956	204,923	183,888	151,991
Juban Parc Elementary	63,119	160,418	146,140	77,397
Levi Milton Elementary	92,713	203,891	204,208	92,396
Lewis Vincent Elementary	82,036	215,102	213,017	84,121
Live Oak High	395,905	1,482,838	1,429,049	449,694
Live Oak Middle School	243,526	948,169	855,628	336,067
Live Oak Elementary	136,523	203,852	222,907	117,468
Livingston Parish Literary & Tech Center	10,664	76,210	83,672	3,202
Maurepas High	94,951	226,994	234,083	87,862

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES -
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

<u>School</u>	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
North Corbin Junior High	163,794	263,746	243,876	183,664
North Corbin Elementary	200,088	181,140	197,800	183,428
North Live Oak Elementary	110,175	280,147	275,462	114,860
Northside Elementary	77,139	127,136	124,482	79,793
Pathways Center	2,902	22,528	16,398	9,032
Pine Ridge School	18,596	37,467	37,113	18,950
Seventh Ward Elementary	60,958	131,233	126,897	65,294
South Fork Elementary	39,124	145,029	147,234	36,919
South Live Oak Elementary	204,584	247,053	270,943	180,694
South Walker Elementary	118,547	215,085	189,195	144,437
Southside Junior High	152,150	332,003	359,881	124,272
Southside Elementary	168,776	100,031	134,146	134,661
Springfield High	126,608	446,423	477,859	95,172
Springfield Middle School	133,194	177,991	149,745	161,440
Springfield Elementary	91,149	122,093	120,496	92,746
Walker High	189,668	1,327,129	1,422,066	94,731
Walker Freshman High	71,533	126,407	123,919	74,021
Walker Elementary School	135,362	114,702	101,131	148,933
Westside Junior High School	77,129	288,088	296,091	69,126
Total	<u>\$ 5,618,224</u>	<u>\$ 14,053,469</u>	<u>\$ 14,038,063</u>	<u>\$ 5,633,630</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	<u>Sales Tax Fund</u>	
	<u>2016</u>	<u>2015</u>
Deposits Due Others at Beginning of Year	\$ 3,804,851	\$ 3,397,523
Additions:		
Sales Tax Collections	94,224,523	87,089,180
Deductions:		
Transfers to:		
General Fund:		
Sales Tax	42,802,268	39,632,168
District No. 33	108,620	110,712
Sales Tax Collection Fee	941,946	856,964
Debt Service - District No. 22	1,871,449	1,780,237
Livingston Parish Sheriff	8,541,165	7,828,814
Livingston Parish Council	16,796,759	15,526,653
Livingston Parish Tourist Commission	336,183	342,005
Livingston Parish Drainage Districts:		
No. 1	1,555,540	1,304,907
No. 2	941,965	893,526
No. 5	1,710,861	1,543,679
City of Denham Springs	7,245,198	7,217,916
Denham Springs Economic Development District	3,821,893	3,816,281
Juban Crossing Economic Development District	2,300,478	1,102,112
City of Walker	3,858,619	3,544,130
Town of Livingston	453,937	381,539
Town of Springfield	422,367	371,601
Village of Albany	355,371	335,510
Refunds to Vendors	71,094	93,098
Total Reductions	<u>94,135,713</u>	<u>86,681,852</u>
Deposits Due Others at End of Year	<u>\$ 3,893,661</u>	<u>\$ 3,804,851</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2016

Jan Benton	\$ 9,600
Jeffrey Cox	9,600
Kellie Dickerson	9,600
Sidney Kinchen	9,600
Albert C. Mincey, Jr	9,600
James Richardson	9,600
Karen Schmitt	9,600
Malcolm Sibley *	10,800
James V. Watson	<u>9,600</u>
Total	\$ 87,600

Term of Current Board Expires December 31, 2018.

*Received Board President Supplement since January 1, 2011.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
SUPERINTENDENT

FOR THE YEAR ENDED JUNE 30, 2016

Agency Head: John Watson, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 134,977
Benefits - Insurance	5,945
Benefits - Retirement	19,672
Benefits- Short Term Disability and Accident Policy	-
Car allowance	-
Vehicle provided by government	-
Per Diem	-
Reimbursements	19
Travel	2,075
Registration fees	110
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expense	-
Professional Organization Membership Fees	300
	<u>\$ 163,098</u>

In accordance with Louisiana Revised Statute 24:513A, the above is a schedule of compensation, benefits, and other payments received by the acting agency head for the year ended June 30, 2016.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Agriculture</u>			
Passed Through Louisiana Department of Agriculture and Forestry - Non-Cash Assistance (Commodities) [1]	10.555	N/A	\$ 767,777
Passed Through Louisiana Department of Education:			
National Breakfast Program [1]	10.553	N/A	1,630,981
National School Lunch Program [1]	10.555	N/A	<u>5,404,563</u>
Total United States Department of Agriculture			7,803,321
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	106,661
Federal Leadership	84.002A	N/A	21,518
Educationally Deprived Children - Local Educational Agencies: IASA Title I [2]	84.010A	05-IASA-32-1	5,084,369
Handicapped State Grants: Special Education IDEA [3]	84.027A	05-FT-32	5,574,933
Vocational Education - Basic Grants to States	84.048	N/A	305,895

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education (Continued)</u>			
Handicapped - Preschool Grants:			
Preschool Flow-thru [3]	84.173A	N/A	72,760
Personnel Development	84.323A	N/A	23,227
Title II - Improving Teacher Quality - State Grants	84.367A	N/A	1,003,663
Title III-Immigrant Set Aside	84.365A	N/A	4,129
Other NCLB Programs	84.365A	N/A	51,923
Title 1 Part C, Migrant	84.011A	N/A	38,271
Race to the Top	84.413A	N/A	17,644
Advanced Placement Test Fee	84.330B	N/A	<u>11,972</u>
Total Passed Through Louisiana Department of Education			12,316,965
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
Early Childhood Pilot Cohort 3	93.575	N/A	33,732
Early Childhood Lead Agency	93.575	N/A	26,498
LA 4 [4]	93.558B	N/A	<u>1,698,707</u>
Total United States Department of Health and Human Services			<u>1,758,937</u>
Total Expenditures of Federal Awards			<u><u>\$21,879,223</u></u>

- [1] Child Nutrition Cluster
- [2] Title 1, Part A Cluster
- [3] Special Education Cluster (IDEA)
- [4] TANF Cluster

See accompanying notes to Schedule of Expenditures of Federal Awards.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

Note A - Significant Accounting Policies -

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

Note B - Food Distribution Program

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2016, the Livingston Parish School Board had food commodities totaling \$118,391 in inventory.

Note C - Indirect Cost Rate Election

The School Board did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2016.

See auditor's report.

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

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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

President and Members of the
Livingston Parish School Board
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Livingston Parish School Board's basic financial statements, and have issued our report thereon dated December 27, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency: 2016-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hennis J. Bourgeois, CPA

Denham Springs, Louisiana
December 27, 2016

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

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

President and Members of the
Livingston Parish School Board
Livingston, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Livingston 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 Livingston Parish School Board's major federal programs for the year ended June 30, 2016. Livingston Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 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 of the Other Major Federal Programs

In our opinion, the Livingston 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, 2016.

Report on Internal Control Over Compliance

Management of the Livingston Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Livingston 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 Livingston Parish School Board's internal control over compliance.

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

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

Purpose of this Report

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

Respectfully submitted,

Harris J. Bourgeois, CPA

Denham Springs, Louisiana
December 27, 2016

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2016

A. As required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the following is a summary of the results of our audit:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified?	_____	Yes	_____	No
			x	
• Significant deficiencies identified?	x	Yes	_____	No

Noncompliance material to financial statements noted?	_____	Yes	_____	No
			x	

Federal Awards

Internal control over major programs:

• Material weaknesses identified?	_____	Yes	_____	No
			x	
• Significant deficiencies identified?	_____	Yes	_____	No
			x	

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a)?	_____	Yes	_____	No
			x	

The following programs were tested as Type "A" major programs:

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
Passed Through Louisiana Department of Education Educationally Deprived Children – Local Educational Agencies: IASA Title I	84.010A
Title II - Improving Teacher Quality - State Grants	84.367A

- The threshold for distinguishing Types A and B programs was \$750,000.
- The School Board was determined to be a low-risk auditee.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

B. Findings - Internal Control Over Financial Reporting

Finding 2016-01 Payroll Data Entry Review:

Criteria:

Payroll data should be reviewed upon entry or shortly thereafter to minimize any opportunity for errors, irregularities or improprieties.

Condition:

During current testing of payroll, we noted two employees' years of experience were incorrect by one year. One employee was set up at fourteen years of experience when the actual years of experience was fifteen. There was no overpayment or underpayment of salary due to the pay scale is the same for fourteen and fifteen years of experience. Another employee was set up and paid at twenty years of experience when the actual years of experience was nineteen. Due to the incorrect years of experience being set up, the employee was over paid \$1,027.

Effect:

Due to the incorrect years of experience being set up for an employee, the employee was over paid wages.

Recommendation:

We recommend that the School System implement a payroll data entry review process in order to minimize any opportunity for errors, irregularities or improprieties. One possible suggestion is that after the payroll accountant enters or makes changes to payroll data, a second individual would be required to review the changes. This review could be a real time review before any additional payroll processing occurs or it could be done on a regular scheduled basis, i.e. weekly review of payroll data input and changes. Some type of payroll exception or change report could aid in this process.

Management's Response:

Management concurs with the recommendation and will evaluate the current procedures and establish guidelines for a review process.

C. Findings - Compliance and Other Matters

None

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2016

A. Findings - Internal Control Over Financial Reporting

None

B. Findings - Compliance and Other Matters

None