

LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2014

LIVINGSTON, LOUISIANA

LIVINGSTON PARISH SCHOOL BOARD

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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, 2014, 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, 2014, 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's June 30, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 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 on pages 4 through 19 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 1 through 19 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 and Schedule 20, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

Schedules 10 through Schedule 19 and the schedule of expenditures of federal awards, Schedule 20, 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 1 through Schedule 9 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 12, 2014, 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. Bourgeois, LLP

Denham Springs, Louisiana
December 12, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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, 2014. 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 2013-2014 fiscal year include the following:

- ❖ Net assets decreased by \$6,181,088 for the year ended June 30, 2014. As discussed below, the decrease in net assets was the result of an increase in total assets of \$277,574 coupled with an increase in total liabilities of \$6,388,377. The increase in liabilities was caused by the \$9,198,441 increase in the Other Post-employment Benefit Liability.
- ❖ Total assets increased by \$277,574 attributed to the following elements:

	<u>June 30, 2014</u>	<u>Restated June 30, 2013</u>	<u>Amount Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 69,648,632	\$ 69,458,072	\$ 190,560	0.27 %
Receivables	8,911,925	10,080,341	(1,168,416)	(11.59) %
Inventory	1,537,697	1,577,921	(40,224)	(2.55) %
Capital Assets, Net of Accumulated Depreciation	<u>196,518,612</u>	<u>195,222,958</u>	<u>1,295,654</u>	0.66 %
Total Assets	<u>\$ 276,616,866</u>	<u>\$ 276,339,292</u>	<u>\$ 277,574</u>	0.10 %

Cash increased slightly and receivables decreased due to a decrease in amount due for federal and state grants/programs reimbursements. The inventory decrease 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 \$10.5 million. At June 30, 2014, major incomplete construction projects in the Districts totaled \$3,513,574.

During the current fiscal year, the School System purchased 38 buses/vehicles at a cost of \$1.1 million and purchased other large equipment totaling over \$320,000.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

- ❖ Total Liabilities increased \$6,388,377 due to the following items:

	June 30, 2014	Restated June 30, 2013	Amount Increase (Decrease)	Percent of Increase (Decrease)
Accounts, Salaries, and Other Payables	\$ 28,879,016	\$ 27,600,349	\$ 1,278,667	4.63 %
Interest Payable	632,451	688,956	(56,505)	(8.20) %
Long-Term Liabilities	125,333,904	120,167,689	5,166,215	4.30 %
Total Liabilities	<u>\$154,845,371</u>	<u>\$148,456,994</u>	<u>\$ 6,388,377</u>	4.30 %

General payables increased in the short-term liabilities due to a increase in accounts payable and capital project retainages; and increased in long-term liabilities due to the reduction of bonds payables and an increase in compensated absences, both combined with the annual increase in Other Post-Employment Benefits liability.

- ❖ General revenues increased by \$4,985,464 from fiscal year 2013 to fiscal year 2014. Primary increases and decreases are discussed below.
 - Property tax revenue levied increased \$167,617 (1.10%).
 - Sales and use tax revenue increased \$2,066,311 (5.75%).
 - Earnings on investments decreased \$104,381 (15.14%).
 - Other local revenue decreased \$59,293 (21.52%).
 - The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$152,921,729. This is an increase of \$2,912,119 (1.94%) from the prior year, caused by a reduction in federal funding. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, 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 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 five years.
 - Other state revenue and grants increased \$14,701 (1.58%).
- ❖ The largest expenditure of the School System continues to be payroll. This includes increases in benefit costs, primarily employer contributions to the retirement systems. 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, 2014

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 20, 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 2013/2014 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 22. 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 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2014.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 21, the cost of the School Board's *governmental* activities for the year ended June 30, 2014 was \$243,259,703. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$4,980,647 was paid by those who used or benefited from services rendered (e.g., charges for school lunches and summer school tuition) and \$24,146,502 was paid through various federal and state grants. Consequently, the net cost of \$214,132,554, a 7.77% increase over the prior year, after taking into consideration these fees and subsidies, 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, 2014. 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, 2014 and 2013

	2014		Restated 2013	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:				
Regular Education Programs	\$ 98,585,790	\$ 95,204,713	\$ 92,326,129	\$ 90,862,051
Special Education Programs	30,757,167	28,697,038	28,691,413	26,262,340
Other Instructional Programs	13,084,174	6,961,608	13,179,749	5,380,872
Support Services:				
Student Services	14,350,717	12,578,995	13,357,943	11,770,672
Instructional Staff Support	8,823,738	6,441,436	8,944,707	6,607,049
General & School				
Administration	23,217,212	22,056,699	20,145,718	19,119,630
Business & Central Services	4,252,620	3,563,540	4,173,464	3,478,802
Plant Services	20,354,017	20,183,253	17,983,099	17,578,416
Student Transportation	13,677,412	12,804,304	12,424,984	12,260,719
School Food Services	13,288,604	2,862,460	12,754,863	2,353,436
Community Service Programs	105,011	15,267	100,484	14,989
Interest on Long-Term Debt	2,763,241	2,763,241	3,002,188	3,002,188
Totals	<u>\$ 243,259,703</u>	<u>\$ 214,132,554</u>	<u>\$ 227,084,741</u>	<u>\$ 198,691,164</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

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, 2014, its combined fund balance was \$51,219,238, as compared to its combined fund balance of \$53,515,985 as of June 30, 2013, a decrease of \$2,296,747. The General Fund, the main operational arm of the School Board, saw its total fund balance increase by \$115,062. While General Fund Revenues increased by \$7,659,496, General Fund Expenditures increased by \$9,059,855 and Other Financing Sources (Uses) (Transfers to Other Funds) increased by \$1,908,371, thereby decreasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$3,423,792 to \$115,062 a total decrease of \$3,308,730.

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 September 5, 2013, and the Final Budget was adopted June 19, 2014. The General Fund budget amendments increased total anticipated revenues by 1.66% and increased projected expenditures by 1.91%.

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 \$7,468,609 more than had been budgeted.

The fiscal year 2015 General Fund budget, adopted on August 21, 2014, showed anticipated revenues of \$210,524,734, projected expenditures of \$214,309,571, and net transfers out of \$11,045,708 resulting in a projected decrease of \$14,830,545 for the year. Transfers out include \$4,629,008 to the Capital Projects Fund, \$3,290,000 to the Maintenance Fund, \$901,700 to the Sinking Fund (Debt Service) and \$2,225,000 to the School Food Service Fund.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2014, the School Board had \$196,518,612 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, 2014 and 2013.

TABLE II

Net Capital Assets
at June 30, 2014 and 2013

	2014	2013
Land	\$ 13,400,361	\$ 11,363,861
Construction in Progress	3,513,574	1,465,962
Buildings and Improvement	169,051,283	171,637,169
Furniture and Equipment	2,719,760	2,312,857
Library Books and Textbooks	5,331,839	6,434,057
Vehicles	2,501,795	2,009,052
Total	<u>\$ 196,518,612</u>	<u>\$ 195,222,958</u>

During the current fiscal year, \$10,568,530 of assets were capitalized as additions while \$937,296 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2014 amounted to a net of \$6,088,946 on buildings and improvements and \$3,068,652 on movables such as furniture, vehicles, and equipment.

In the 2013-2014 fiscal year, the following land was acquired:

Walker District No. 4 - 2.035 Acres	\$ 346,300
Walker District No. 4 - 1.886 Acres	630,000
Walker District No. 4 - 0.230 Acres with 1,693 sq. ft. building	151,000
Walker District No. 4 - 0.230 Acres with 1,535 sq. ft. building	164,200
Live Oak District No. 22 - 7.430 Acres	282,000
Live Oak District No. 22 - 1.888 Acres	113,000
Albany District No. 24 - 6.625 Acres with 6,270 sq. ft. building	175,000
Albany District No. 24 - 6.625 Acres	175,000
Total Land Purchases Parish-Wide	<u>\$ 2,036,500</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

During the fiscal year ended June 30, 2014, the following major construction projects were completed:

<u>Project</u>	<u>Total Cost of Project</u>
Denham Springs District No. 1	
Denham Springs Freshman High – Library Renovations	\$ 414,162
Denham Springs High – Hornsby Gym Renovations	898,465
Denham Springs High – Art Department & Classroom Renovations	127,928
Denham Springs Elementary – Renovations	101,382
Denham Springs High – Parking & Access	187,011
Denham Springs Freshman High – Parking & Access	49,540
Denham Springs High – Old Science Building Renovation	<u>189,728</u>
Total District No. 1	1,968,216
Walker District No. 4	
Westside Jr. High – Roof Repair & Addition	149,238
South Fork Elementary – Classroom Addition	<u>885,111</u>
Total District No. 4	1,034,349
Albany District No. 24	
Cost Allocated to 6,270 sq. ft. building purchased with 6.625 Acres	<u>75,000</u>
Total District No. 24	75,000
French Settlement District No. 32	
French Settlement High – Hurricane Isaac Repairs	<u>425,495</u>
Total District No. 32	<u>425,495</u>
Grand Total Completed Construction Projects	<u>\$ 3,503,060</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

At June 30, 2014 the following major projects were included in incomplete construction:

Project	Project Cost to June 30, 2014	Total Estimated Project Cost
Denham Springs District No. 1		
Eastside Elementary – Multi-Purpose Building	\$ 2,200	\$ 2,200
Denham Springs Freshman High – Gym Renovations	704,582	1,822,977
Denham Springs High – Northside Elem Roof Repair	250,350	522,622
Total District No. 1	957,132	2,347,799
Walker District No. 4		
North Corbin Elementary – Repairs	458,859	689,051
Westside Jr. High – Administration Addition	548,033	780,064
Walker High – Master Plan & Addition/Renovation	19,705	19,705
South Fork Elem – 4 Class Addition & Multi-Purpose Bldg	42,484	141,612
Total District No. 4	1,069,081	1,630,432
Live Oak District No. 22		
Old Live Oak High School – Renovations	164,910	332,417
Albany District No. 24		
Albany High – Athletic Field House	216,451	1,698,746
Holden District No. 25		
Holden High – Concession Stand & Parking Lot	143,034	686,414
Doyle District No. 26		
Doyle High – Band Hall & Classroom Addition	586,298	1,395,573
Doyle Elementary – 4 Classroom Addition	359,498	903,425
Total District No. 26	945,796	2,298,998
Frost District No. 31		
Frost School – Parking Lot	17,170	17,170
Grand Total Incomplete Construction Projects	<u>\$ 3,513,574</u>	<u>\$ 9,011,976</u>

All funding is coming from the individual districts 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.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

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, 2014, the School System had outstanding bonded indebtedness of \$69,221,675 as compared to \$75,628,340 at June 30, 2013.

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 2013 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 \$239,900,000 at June 30, 2014.

ECONOMIC FACTORS

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 642 square miles on 410,880 acres and 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.

Interstate 12 provides highway access to Interstates 10, 55 and 59 within a 60 mile radius. The I-12 corridor has been a "national hot spot" for business development and will continue to be a driver of Louisiana's economy. Livingston Parish is just 15 miles from deepwater at the Port of Greater Baton Rouge which provides direct connections to the Ports of New Orleans and Mobile. The Canadian National Railway (CN) operates within the parish, including the Livingston Industrial Park. The CN line runs through the southeastern major distribution markets south into Mexico and north across Canada. The Kansas City Southern Class I also travels along the parish's industrial park.

Furthermore, twenty minutes away is the Baton Rouge Metropolitan Airport which offers frequent, nonstop flights to five major hubs on four of the world's largest airlines, providing single connection service to most major spots on the globe. Also, travelers to the parish and capital region have the best of both worlds by having access to international flights and additional domestic flights through the Louis Armstrong New Orleans International Airport which is an hour away.

Livingston Parish is primarily described as a rural parish with a population of 134,053 based on the 2014 estimate. The main population areas are comprised of the following: two cities (Denham Springs – pop. 10,148 and Walker – pop. 6,180), three towns (Livingston – pop. 1,893, Albany – pop. 1,093 and Springfield – pop. 488), three villages (Killian – pop. 1,277, French Settlement – pop. 1,110 and Port Vincent – pop. 734), and one major unincorporated area (Watson – pop. 927).

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

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 134,053 (an increase of approximately 46.0%). Forecasters predict the population to exceed 142,000 in the next five years. Sales of new homes were up 12.6% for the first eight months of the year, going from 997 to 1,123. The parish anticipates this to continue as people learn about the advantages of the quality of life in Livingston Parish.

The total assessed property value on the Livingston Parish Tax Roll for 2014 is approximately \$701,159,290. The taxable value is \$472,725,665, which is approximately a 4.47% increase over the prior year. Increased population and development of rural lands continue to elevate property values, in addition to re-assessments of existing properties every four years.

The Livingston Parish School System is among the top systems in the State for increases in student enrollment (averaging over 300 + students in each of the past three years); present enrollment is approximately 25,992 (includes Pre-K); 43 schools (pre-K through high school), up from 30 schools in 1990; one alternative school; and plans are underway to renovate an old high school for it to become a junior high school. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis.

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 103 score, up 11.9 points from the previous school year. At the same time, the number of individual schools receiving an "A" grade grew from 10 to 19, accounting for nearly half of all the district's elementary, middle and high school campuses.

Holden, Maurepas and Springfield high schools were among the 72 schools in Louisiana to receive a Bronze Medal ranking for their academic performances in 2013, according to the U.S. News & World Report. The Bronze Medal is given to those schools throughout the nation that excel at a variety of measurable performance outcomes. It is based on a key principle that a high school must serve all students well, not just those bound for college.

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.

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. The School Board recently donated 12.3 acres of undeveloped land near the Livingston Parish Literacy and Technology Center in Walker to the

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

State for the facility. Officials hope to enroll 500 to 700 students at the facility. The proposed Livingston community college is part of legislation passed in the 2013 Louisiana Legislative Session with \$5.13 million earmarked to help fund the project.

Livingston Parish has earned a growing reputation as a great place to live. In addition, the parish is now considered a hot spot 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.

A united effort between the public and private sectors announced that they will assist in the continued economic growth of Livingston Parish. *Livingston Tomorrow* is the economic development plan outlining the strategies and goals that will create at least 12,000 jobs with significantly higher wages over the next five years; stable and growing tax base; new market opportunities for existing business; protection of existing business investments; individual engagement in the community growth; and unparalleled quality of life. 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. Our business leaders and decision makers continue to see the need to attract new businesses and maintain and grow existing businesses, and the *Livingston Tomorrow* campaign will ensure that we have sufficient funding for these endeavors.

In addition to the formation of an economic development strategic plan for the parish, Livingston Parish leaders came together and created a long-term vision for the parish which includes goals for the short and long-term. They are as follows:

- Goal #1 – Business Attraction and Retention: Initiate efforts to recruit businesses that require a skilled workforce and will serve as a catalyst to increase business retention and expansion activities within the parish, helping to create new jobs in Livingston Parish.
- Goal #2 – Community Marketing and Investor Relations: "Brand" Livingston Parish and promote our community as a world-class business and personal destination by increasing awareness and knowledge of the parish.
- Goal #3 – Accelerate Economic Programs to Assist Business: Promote programs that assist new and existing businesses to expand in Livingston Parish.
- Goal #4 – Public Policy and Government Affairs: Create a well-oiled political and public policy advocacy effort to draw attention to Livingston Parish's need from the perspective of governmental agencies.
- Goal #5 – Workforce Development and Education: Build intellectual capital in the region by providing leadership, direction and business involvement for educational and workplace improvement in the parish.
- Goal #6 – Economic Diversification and Sustainability: Develop strategies for economic diversification, expand current retention and expansion services for local industry and make Livingston Parish a business center of U.S. industry.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

The parish's largest city, Denham Springs, includes a 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, in Denham Springs is Greystone Golf and Country Club. Greystone is a 350-acre development, featuring a golf course, club house, pool, tennis courts, 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. Greystone completed construction on a new club house and plans are underway for golf course improvements and a new residential lot development.

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 and the store is setting records in boat sales. It's also setting attendance records nationwide for cities of this size. The entire store is a tribute to the vast diversity of the Louisiana landscape and its people and like other Bass Pro Shops Outdoor World stores, takes on the flavor and atmosphere of the region. 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. A five-story hotel in the Marriott group of hotels is on the way. It is expected to break ground just west of Sam's Club in the summer of 2015. 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 November 2013. Design of the new lifestyle shopping destinations to Riverside Landing is now underway. 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, restaurant and hotel space for shoppers to frequent.

Construction work has been underway at the Juban Crossing site on Juban Road, at I-12. The \$350 million Juban Crossing project is being built in three phases. The first phase, began opening retail stores in October 2014, and will make up approximately 400,000 square feet of the development. Those stores include Belk, Academy Sports & Outdoors, Lane Bryant, Bed Bath & Beyond, Old Navy, PetSmart, T.J. Maxx, Great American Cookie Company and Marble Slab Creamery. Other businesses slated for Juban

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

Crossing are Kohl's, Ross Dress for Less, Shoe Carnival, Ulta Salon, Olive Garden, Outback Steakhouse, Zea's, Walk On's Restaurant, Michaels, Five Guys Burgers and Fries, Menchie's, Izzo's, Verizon, Subway, Lens Crafters, CVS, Men's Wearhouse, Charming Charlie's, Carter's Clothing, Financial Bank, GNC and Mattress Firm. Movie Tavern, a movie theater/restaurant, is expected to open in early 2015. Ultimately developers anticipate roughly 1.2 million square feet of retail throughout the development. 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.

Watson is a small but growing unincorporated town located in the northwest corner of Livingston Parish. It is one of the fastest growing areas in Livingston 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. 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 and a new 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 already signed to join them in the shopping development.

Walker is the home of Wal-Mart, Stine Lumber Company, CVS Pharmacy, Walgreens and LaQuinta Inn. One of the town's major thoroughfares, Highway 447, hosts numerous restaurants, and other businesses. Plans are underway to add another hotel and construction has begun on numerous restaurants and retailers. The city's administration announced in October 2013 that the city had been ranked second in the state to raise a family and hopes their new ranking will draw in more businesses.

Our Lady of the Lake (LOL) 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, LOL Livingston includes outpatient services such as a lab; imaging services including CT, ultrasound, X-ray and MRI; and physician offices. The facility has 135 full-time employees with a total annual payroll of approximately \$6.6 million. LOL Livingston is one of the latest additions to an ever growing number of new medical facilities located throughout Livingston Parish.

The Livingston Economic Development Council has announced that a 93-acre site in the Livingston parish Industrial Park in Walker is the first parcel of land in Livingston Parish to be certified as "development ready" through a program of Louisiana Economic Development. The land comprises the remaining available acreage in the Livingston Parish Industrial Park in Walker. 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 & water, electricity, access road and signage. Having sites pre-certified helps to expedite the process when developers are ready to invest. It is home to Shaw Sunland Fabricators, Waste Management, and manufacturer Compressor Engineering Corporation (CECO).

Just down the highway from the Livingston Parish Industrial Park, Gilchrist Construction Company has purchased 12 acres in the Co-Mar Industrial Park and began operation of their \$2 million asphalt plant in early 2013. Patten's Metal Express built and opened a new manufacturing facility in Co-Mar. The

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

company produces metal roofing and steel building products for residential or commercial projects and the manufacturing operation will provide capital investment, tax revenues and employment opportunities for the communities.

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, an 800-seat theater.

In Satsuma, parked along I-12 on exit 19, you will notice an F-4 Phantom Navy Jet on display as a tribute to World War II veterans. Under the cover of darkness, the Phantom jet was on its way to Livingston Parish in the early morning hours of February 19, 2014 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. The delivery of the fighter to its new home site can be viewed at <http://livingstontourism.com/f4-phantom-navy-jet-coming-livingston-parish/>.

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.

The Village of 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. The Hungarian Settlement near Albany is the largest settlement of people of Hungarian descent in the United States. The rural ethnic settlement draws hundreds of guests to their Hungarian Festival each October 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 SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

Quality Iron Fabricators, a Memphis-based manufacturer of structural and miscellaneous steel products, broke ground April 19, 2012 on the first phase of a fabrication facility. The company purchased a 37-acre site on Strawberry Lane south of I-12 and east of the Albany Exit, to serve commercial and industrial markets. In their first phase, the company is building a 40,000 square foot fabrication facility and office area, with plans to double capacity in the next 18 months. The facility, which has the capacity to grow up to 250,000 square feet, will be outfitted with new state of the art computer numerical control fabrication machinery custom built in Holland. Their \$7 million initial capital investment is expected to bring as many as 100 new jobs in the first two years. The firm is currently involved in three major projects in South Louisiana: the \$50 million renovation of the Ernest N. Morial Convention Center in New Orleans, and the \$2 billion construction of the Veterans Affairs Medical Center and the University Medical Center, also both in New Orleans.

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 will 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.

Location scouts from Hollywood and other areas continue to tour potential locations in Livingston Parish for upcoming feature films. Parish officials take them to various sites and the company representatives are pleased with the unique beauty of Livingston Parish. For the second time in two years, Livingston Parish's Diversion Canal was picked for location filming by Active Entertainment. In August 2005, Warner Brothers released the movie "The Dukes of Hazzard". Scenes from the movie were filmed near French Settlement. A former star of the film's original television series, John Schneider, recently purchased a 58-acre site in Holden in which to expand his production company, Fairlight Films.

While retail, tourism and timber are all important to the local economy, there are also several major manufacturing operations, including Ferrara Fire Apparatus in Holden, the fourth largest manufacturer of fire trucks in the United States. The company manufactures a complete line of fire, emergency and rescue vehicles.

The major employer of Livingston Parish is the Livingston Parish School Board with approximately 3,400 employees and a budget in excess of \$240 million while Plantation Management is second and Walmart is third. Most of our population finds employment within the Baton Rouge metropolitan area and along the Mississippi River, which is laced with companies in the high-tech oil and chemical industries.

Magnificent natural resources like Lake Maurepas, the Tickfaw River and the Amite River make boating, tubing, kayaking and fishing in Livingston Parish major activities for residents of the entire Capital Region. Other outdoor activities include camping, water skiing, swamp tours, boat races and river parades. Near the town of Springfield, you'll find the Tickfaw State Park, a 1,200-acre park located along three miles of

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2014

the Tickfaw River. The park offers diverse recreational, nature and educational opportunities. This State Park has it all. Camping, fishing, hiking, bird watching, biking and canoeing are just some of the things you can enjoy while you are here at the park. The many alligators are a must see in the fishing pond.

Music has been and still is a vital part of Livingston Parish for many decades. This can be seen and heard at the Old South Jamboree which holds country and bluegrass music shows. In the Denham Springs Historical Downtown Antique area, one can also find free outdoor concerts. These concerts feature local artists performing music from jazz to gospel and even magic shows. The concerts are held at the Train Station Park pavilion. Our parish is also well known for being the home of the award winning Livingston Parish Children's Choir and Chorale.

But Livingston Parish is not all down to earth. Perhaps its most unique asset is the Laser Interferometer Gravitational Wave Observatory (LIGO) federal research project, one of only two such 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. For more information about tours and programs, see the LIGO website, www.ligo-la.caltech.edu.

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 information on cities and towns, lodging, outdoor activities, shopping, attractions, restaurants and much more. Come "Live it up in Livingston!"

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

- Livingston Economic Development Council – www.ledc.net
- Livingston Parish Government – www.livingstonparishla.gov
- Livingston Parish Chamber of Commerce – www.livingstonparishchamber.org
- Livingston Business & Real Estate 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

JUNE 30, 2014

(With Comparative Totals as of June 30, 2013)

ASSETS

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>Restated 2013</u>
Cash and Cash Equivalents	\$ 19,498,632	\$ 19,308,072
Investments	50,150,000	50,150,000
Receivables	8,911,925	10,080,341
Inventory	1,537,697	1,577,921
Capital Assets:		
Land and Construction in Progress	16,913,935	12,829,823
Other Capital Assets (Net of Accumulated Depreciation)	<u>179,604,677</u>	<u>182,393,135</u>
Total Assets	<u>276,616,866</u>	<u>276,339,292</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred Amount on Refunding	<u>13,810</u>	<u>84,095</u>
Total Deferred Outflow of Resources	<u>13,810</u>	<u>84,095</u>

LIABILITIES

Accounts, Salaries, and Other Payables	28,879,016	27,600,349
Interest Payable	632,451	688,956
Long-Term Liabilities:		
Due Within One Year	8,531,017	9,139,686
Due in More than One Year	<u>116,802,887</u>	<u>111,028,003</u>
Total Liabilities	154,845,371	148,456,994

NET POSITION

Net Investment in Capital Assets	127,127,804	119,416,936
Restricted for:		
Debt Service Fund	3,876,888	5,485,735
Maintenance of Schools	2,199,078	2,008,707
General Fund	25,230,117	26,475,282
Unrestricted (Deficit)	<u>(36,648,582)</u>	<u>(25,420,267)</u>
Total Net Position	<u>\$ 121,785,305</u>	<u>\$ 127,966,393</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, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

					Total Governmental							
					Activities -							
					Net (Expense)							
					Revenue and							
					Changes in Net							
					Position							
					2014	Restated						
					2013							
FUNCTIONS/PROGRAMS												
Governmental Activities:												
Instruction:												
Regular Programs	\$	98,585,790	\$	308,384	\$	3,072,693	\$	-	\$	(95,204,713)	\$	(90,862,051)
Special Programs		30,757,167		3,633		2,050,221		6,275		(28,697,038)		(26,262,340)
Vocational Programs		3,111,591		509		271,198		26,005		(2,813,879)		(2,682,174)
Adult Continuing Education Programs		249,783		239		223,147		-		(26,397)		(13,431)
All Other Programs		9,722,800		270,822		5,330,646		-		(4,121,332)		(2,685,267)
Support Services:												
Student Services		14,350,717		-		1,771,722		-		(12,578,995)		(11,770,672)
Instructional Staff Support		8,823,738		69,928		2,312,374		-		(6,441,436)		(6,607,049)
General Administration		8,876,102		874,566		12,446		-		(7,989,090)		(5,775,383)
School Administration		14,341,110		104,139		169,362		-		(14,067,609)		(13,344,247)
Business Services		2,191,268		156,740		517,407		-		(1,517,121)		(1,337,663)
Plant Services		20,354,017		57,109		113,655		-		(20,183,253)		(17,578,416)
Student Transportation Services		13,677,412		158,124		714,984		-		(12,804,304)		(12,260,719)
Central Services		2,061,352		-		14,933		-		(2,046,419)		(2,141,139)
Food Services		13,288,604		2,976,454		7,449,690		-		(2,862,460)		(2,353,436)
Community Service Programs		105,011		-		89,744		-		(15,267)		(14,989)
Interest on Long-Term Debt		2,763,241		-		-		-		(2,763,241)		(3,002,188)
Total Governmental Activities	\$	243,259,703	\$	4,980,647	\$	24,114,222	\$	32,280		(214,132,554)		(198,691,164)
Taxes:												
Property Taxes, Levied for General Purposes										10,154,636		9,784,375
Property Taxes, Levied for Debt Services										5,185,288		5,387,932
Sales and Use Taxes, Levied for General Purposes										36,361,304		34,399,909
Sales and Use Taxes, Levied for Debt Services										1,640,681		1,535,765
State Revenue Sharing										927,324		921,231
Grants and Contributions not Restricted to Specific Purposes:												
Minimum Foundation Program										152,921,729		150,009,610
Other										18,927		10,319
Interest and Investment Earnings										584,907		689,288
Net Gain (Loss) on Sale of Assets										(59,544)		(47,934)
Miscellaneous										216,214		275,507
Total General Revenues										207,951,466		202,966,002
Change in Net Position										(6,181,088)		4,274,838
Net Position - Beginning of Year, As Restated										127,966,393		123,691,555
Net Position - End of Year										\$ 121,785,305	\$	127,966,393

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, 2014
(With Comparative Totals as of June 30, 2013)

<u>ASSETS</u>	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2014	2013
Cash and Cash Equivalents	\$ 8,100,007	\$ 5,712,895	\$ 5,685,730	\$ 19,498,632	\$ 19,308,072
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	48,650,000	-	1,500,000	50,150,000	50,150,000
Receivables	4,500,749	18,372	4,392,804	8,911,925	10,080,341
Due from Other Funds	3,602,076	-	-	3,602,076	5,730,263
Inventory	1,156,093	-	381,604	1,537,697	1,577,921
Total Assets	<u>\$ 66,008,925</u>	<u>\$ 5,731,267</u>	<u>\$ 11,960,138</u>	<u>\$ 83,700,330</u>	<u>\$ 86,846,597</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts, Salaries and Other Payables	\$ 25,409,225	\$ 1,552,612	\$ 1,917,179	\$ 28,879,016	\$ 27,600,349
Due to Other Funds	-	-	3,602,076	3,602,076	5,730,263
Total Liabilities	25,409,225	1,552,612	5,519,255	32,481,092	33,330,612
Fund Balances:					
Nonspendable:					
Inventory	1,156,093	-	364,917	1,521,010	1,577,921
Restricted For:					
Debt Service	-	-	3,876,888	3,876,888	5,485,735
Maintenance of Schools	-	-	2,199,078	2,199,078	2,008,707
Construction, Utilities and Maintenance	23,632,472	-	-	23,632,472	23,741,254
Educational Excellence	1,308,502	-	-	1,308,502	1,620,568
E-Rate	191,562	-	-	191,562	1,017,870
Other	97,581	-	-	97,581	95,590
Committed To:					
Contracts	-	2,677,707	-	2,677,707	814,496
Assigned To:					
Capital Projects	-	1,500,948	-	1,500,948	4,212,189
School Lunch Program	-	-	-	-	167,125
Property Damage Insurance	468,024	-	-	468,024	234,012
General Liability Insurance	1,245,148	-	-	1,245,148	622,574
Workers Compensation Insurance	179,494	-	-	179,494	89,747
Other Post Employment Benefits	2,593,653	-	-	2,593,653	2,357,867
Unassigned	9,727,171	-	-	9,727,171	9,470,330
Total Fund Balances	<u>40,599,700</u>	<u>4,178,655</u>	<u>6,440,883</u>	<u>51,219,238</u>	<u>53,515,985</u>
Total Liabilities and Fund Balances	<u>\$ 66,008,925</u>	<u>\$ 5,731,267</u>	<u>\$ 11,960,138</u>	<u>\$ 83,700,330</u>	<u>\$ 86,846,597</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

JUNE 30, 2014

(With Comparative Totals as of June 30, 2013)

	<u>2014</u>	<u>Restated 2013</u>
Total Fund Balances - Governmental Funds	\$ 51,219,238	\$ 53,515,985
Cost of Capital Assets	318,569,016	308,937,782
Less: Accumulated Depreciation	<u>(122,050,404)</u>	<u>(113,714,824)</u>
	196,518,612	195,222,958
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	3,602,076	5,730,263
Due to Other Funds	<u>(3,602,076)</u>	<u>(5,730,263)</u>
	-	-
Long-Term Liabilities:		
Accumulated Unfunded Other Postemployment Benefits Payable	(39,972,221)	(30,773,780)
Compensated Absences	(13,180,875)	(10,897,887)
Claims and Judgments	(2,790,000)	(2,690,000)
Bonds Payable	(64,555,000)	(70,095,000)
Certificates of Indebtedness Payable	(4,666,675)	(5,533,340)
Deferred Premium on Bonds	(169,133)	(177,682)
Deferred Amount on Refunding	13,810	84,095
Accrued Interest Payable	<u>(632,451)</u>	<u>(688,956)</u>
	<u>(125,952,545)</u>	<u>(120,772,550)</u>
Net Position of Governmental Activities	<u><u>\$ 121,785,305</u></u>	<u><u>\$ 127,966,393</u></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, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2014	2013
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 4,731,624	\$ 2,259,558	\$ 8,348,742	\$ 15,339,924	\$ 15,172,307
Sales and Use	36,361,304	-	1,640,681	38,001,985	35,935,674
Other	512,664	-	-	512,664	488,983
Rentals, Leases and Royalties	58,054	-	-	58,054	98,462
Tuition	252,199	-	-	252,199	319,803
Interest Earnings	500,252	25,114	59,541	584,907	689,288
Food Services	-	-	2,819,216	2,819,216	2,843,797
Other	2,619,400	-	165,697	2,785,097	3,158,201
State Sources:					
Unrestricted Grants-in-Aid	154,348,051	229,004	624,657	155,201,712	150,941,160
Restricted Grants-in-Aid	3,274,620	-	-	3,274,620	1,058,744
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	493,261	493,261	499,128
Restricted Grants-in-Aid - Subgrants	-	-	17,361,046	17,361,046	19,573,041
Other - Commodities	-	-	749,924	749,924	842,401
Total Revenues	202,658,168	2,513,676	32,262,765	237,434,609	231,620,989
Expenditures:					
Instruction:					
Regular Programs	92,403,209	-	1,899	92,405,108	89,358,530
Special Programs	27,519,360	-	1,194,563	28,713,923	27,644,587
Vocational Programs	2,687,708	-	240,850	2,928,558	2,887,728
Adult and Continuing Education Programs	103,306	-	136,571	239,877	241,231
Other Programs	4,344,533	-	5,047,467	9,392,000	9,808,296
Support Services:					
Pupil Support	12,013,959	-	1,634,832	13,648,791	13,032,422
Instructional Staff Support	5,892,242	-	2,252,376	8,144,618	8,425,829

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2014	2013
Expenditures (Continued):					
Support Services (Continued):					
General Administration	2,111,901	89,534	355,399	2,556,834	2,444,722
School Administration	13,612,709	-	3,481	13,616,190	13,043,824
Business Services	2,063,625	-	2,778	2,066,403	1,982,702
Plant Services	14,678,888	-	5,030,962	19,709,850	17,605,785
Transportation Services	12,358,346	-	24,592	12,382,938	11,528,304
Central Services	2,001,329	-	-	2,001,329	2,115,977
Food Services	-	-	12,823,979	12,823,979	12,511,721
Community Service Programs	15,001	-	89,744	104,745	100,496
Capital Outlay	1,971,370	7,587,172	32,280	9,590,822	11,035,445
Debt Service:					
Principal Retirement	-	-	6,406,665	6,406,665	6,165,369
Interest and Bank Charges	-	-	2,758,010	2,758,010	2,924,682
Total Expenditures	193,777,486	7,676,706	38,036,448	239,490,640	232,857,650
Excess (Deficiency) of Revenues Over Expenditures	8,880,682	(5,163,030)	(5,773,683)	(2,056,031)	(1,236,661)
Other Financing Sources (Uses):					
Sale of Capital Assets	55,734	-	-	55,734	31,742
Other	(296,450)	-	-	(296,450)	(213,476)
Transfers In	493,261	4,315,000	4,703,165	9,511,426	7,673,771
Transfers Out	(9,018,165)	-	(493,261)	(9,511,426)	(7,673,771)
Total Other Financing Sources (Uses)	(8,765,620)	4,315,000	4,209,904	(240,716)	(181,734)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	115,062	(848,030)	(1,563,779)	(2,296,747)	(1,418,395)
Fund Balances at Beginning of Year	40,484,638	5,026,685	8,004,662	53,515,985	54,934,380
Fund Balances at End of Year	<u>\$ 40,599,700</u>	<u>\$ 4,178,655</u>	<u>\$ 6,440,883</u>	<u>\$ 51,219,238</u>	<u>\$ 53,515,985</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, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	2014	Restated 2013
Total Net Change in Fund Balances - Governmental Funds	\$ (2,296,747)	\$ (1,418,395)
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	9,590,822	11,035,445
Library Books and Textbooks Purchased	977,708	1,428,798
Depreciation Expense	(9,157,598)	(8,033,194)
Add accumulated depreciation on capital assets retired during the year	822,018	1,553,034
Less cost basis of capital assets retired during the year	(937,296)	(1,632,710)
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.		
Increase in Other Postemployment Benefits Obligation Net	(9,198,441)	(5,731,785)
General Obligation Bond Principal Repayments	5,540,000	5,298,704
Certificates of Indebtedness Principal Repayments	866,665	866,665
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	(2,282,988)	105,782
(Increase) Decrease in Claims and Judgments Payable	(100,000)	880,000
Amortization of Deferred Amounts on Refunding	(70,285)	(83,366)
Amortization of Premium Received on Issuance of General Obligation Bonds	8,549	8,026
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.	56,505	(2,166)
Change in Net Position of Governmental Activities	<u>\$ (6,181,088)</u>	<u>\$ 4,274,838</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 4,715,000	\$ 4,715,000	\$ 4,731,624	\$ 16,624
Sales and Use	34,995,578	35,880,000	36,361,304	481,304
Other	485,000	515,000	512,664	(2,336)
Rentals, Leases and Royalties	52,500	55,500	58,054	2,554
Tuition	335,000	335,000	252,199	(82,801)
Interest Earnings	510,400	496,000	500,252	4,252
Other	2,893,600	2,958,600	2,619,400	(339,200)
State Sources:				
Unrestricted Grants-in-Aid	151,926,871	154,348,466	154,348,051	(415)
Restricted Grants-in-Aid	<u>3,371,035</u>	<u>3,297,572</u>	<u>3,274,620</u>	<u>(22,952)</u>
Total Revenues	199,284,984	202,601,138	202,658,168	57,030
Expenditures:				
Instruction:				
Regular Programs	93,543,400	93,858,414	92,403,209	1,455,205
Special Programs	26,956,467	27,826,431	27,519,360	307,071
Vocational Programs	2,750,100	2,764,600	2,687,708	76,892
Other Programs	3,964,311	4,254,714	4,344,533	(89,819)
Adult and Continuing Education Programs	94,239	104,176	103,306	870
Support Services:				
Pupil Support	11,997,500	12,031,500	12,013,959	17,541
Instructional Staff Support	6,263,967	6,222,844	5,892,242	330,602
General Administration	2,128,625	2,250,500	2,111,901	138,599
School Administration	13,514,290	13,745,772	13,612,709	133,063
Business Services	1,979,150	2,165,650	2,063,625	102,025
Plant Services	14,520,462	15,250,833	14,678,888	571,945
Transportation Services	11,918,000	12,480,000	12,358,346	121,654
Central Services	2,279,500	2,123,000	2,001,329	121,671
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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Continued):				
Support Services (Continued):				
Capital Outlay	<u>1,803,000</u>	<u>2,331,600</u>	<u>1,971,370</u>	<u>360,230</u>
Total Expenditures	<u>193,728,012</u>	<u>197,425,035</u>	<u>193,777,486</u>	<u>3,647,549</u>
Excess of Revenues Over Expenditures	5,556,972	5,176,103	8,880,682	3,704,579
Other Financing Sources (Uses):				
Sale of Capital Assets	5,000	60,000	55,734	(4,266)
Other	(225,000)	(296,450)	(296,450)	-
Transfers In	550,000	510,000	493,261	(16,739)
Transfers Out	<u>(4,143,700)</u>	<u>(12,803,200)</u>	<u>(9,018,165)</u>	<u>3,785,035</u>
Total Other Financing Sources (Uses)	<u>(3,813,700)</u>	<u>(12,529,650)</u>	<u>(8,765,620)</u>	<u>3,764,030</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	1,743,272	(7,353,547)	115,062	7,468,609
Fund Balance at Beginning of Year	<u>40,484,638</u>	<u>40,484,638</u>	<u>40,484,638</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 42,227,910</u>	<u>\$ 33,131,091</u>	<u>\$ 40,599,700</u>	<u>\$ 7,468,609</u>

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, 2014

(With Comparative Totals as of June 30, 2013)

ASSETS

	<u>2014</u>	<u>2013</u>
Cash and Cash Equivalents	\$ <u>8,931,261</u>	\$ <u>8,508,069</u>
Total Assets	\$ <u><u>8,931,261</u></u>	\$ <u><u>8,508,069</u></u>

LIABILITIES

Amounts Held for School Activities	\$ 5,533,738	\$ 5,365,078
Deposits Due to Others	<u>3,397,523</u>	<u>3,142,991</u>
Total Liabilities	\$ <u><u>8,931,261</u></u>	\$ <u><u>8,508,069</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, 2014

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 25,600 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, 2014

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, 2014, 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, 2014, the Livingston Parish Public Benefit Corporation had no assets or liabilities to report.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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, 2014

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 and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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, 2014

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, 2014

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, 2014, 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, 2014. 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, 2014

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 Outflow of Resources

The statement of net position reports a separate section for deferred outflows 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.

All 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, 2014

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. 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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. 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

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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

N. 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.

O. Fund Balances

Government-Wide Statements

Equity is classified as net position and 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.

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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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.

P. Summary Financial Information for 2013 and Reclassification

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, 2013, from which the summarized information was derived.

Certain items in the 2013 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.

Q. Current Year Adoption of New Standard

The School Board adopted the following recently issued Governmental Accounting Standards Board (GASB) Standard in the preparation of this Financial Statement:

GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities

The adoption of GASB 65 required changes to the financial statements of the School Board; including a restatement of Net Position to eliminate Deferred Bond Issuance Cost which no longer met the definition to be capitalized. See Note 18 below for disclosure of the effects of this restatement.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

(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.

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, 2014, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$78,579,893 and the confirmed bank balances were \$78,323,073. 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, 2014, classified by credit risk:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$19,498,632	\$8,931,261	\$28,429,893
Certificates of Deposits	<u>50,150,000</u>	<u>-</u>	<u>50,150,000</u>
Total	<u>\$69,648,632</u>	<u>\$8,931,261</u>	<u>\$78,579,893</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, 2014, none of the School Board's bank balance of \$78,323,073 was exposed to custodial credit risk.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

(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.

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 Millage</u>		<u>Levied 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	-	40.80	-	40.80

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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	\$15,637,018
Less: Amounts Deemed Uncollectible	<u>(297,094)</u>
Net Ad Valorem Taxes Collectible	<u>\$15,339,924</u>

Ad Valorem taxes receivable at June 30, 2014, totaled \$105,107.

(4) Receivables -

The receivables at June 30, 2014, 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	\$ 238,299	\$ 531,443	\$3,389,463	\$ 34,147	\$ 4,313	\$303,084	\$ 4,500,749
Capital Projects Fund	-	-	-	16,313	2,059	-	18,372
Nonmajor Funds	<u>4,147,594</u>	<u>-</u>	<u>141,156</u>	<u>54,647</u>	<u>7,206</u>	<u>42,201</u>	<u>4,392,804</u>
Totals	<u>\$4,385,893</u>	<u>\$ 531,443</u>	<u>\$3,530,619</u>	<u>\$105,107</u>	<u>\$ 13,578</u>	<u>\$345,285</u>	<u>\$8,911,925</u>

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,602,076	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	1,543,858
Special Education Fund	-	1,406,960
Special Federal Fund	-	464,851
Other Federal ESEA Fund	<u>-</u>	<u>186,407</u>
Total Special Revenue Funds	<u>-</u>	<u>3,602,076</u>
Total	<u>\$ 3,602,076</u>	<u>\$ 3,602,076</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 493,261	\$ 9,018,165
Special Revenue Funds:		
Elementary and		
Secondary Education Act:		
Chapter 1	-	212,068
Special Education	-	203,036
Maintenance of Schools	1,945,000	-
School Lunch	1,850,000	-
Special Federal	-	53,899
Other Federal ESEA	<u>-</u>	<u>24,258</u>
Total Special Revenue Funds	3,795,000	493,261
Debt Service Funds:		
District No. 4	836,000	-
District No. 31	<u>72,165</u>	<u>-</u>
Total Debt Service Funds	908,165	-
Capital Projects Fund:		
District No. 1	875,000	-
District No. 4	2,300,000	-
District No. 24	390,000	-
District No. 26	<u>750,000</u>	<u>-</u>
Total Capital Projects Fund	4,315,000	-
Total	<u><u>\$ 9,511,426</u></u>	<u><u>\$ 9,511,426</u></u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2014 is as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 11,363,861	\$ 2,036,500	\$ -	\$ 13,400,361
Construction in Progress	<u>1,465,962</u>	<u>5,550,672</u>	<u>(3,503,060)</u>	<u>3,513,574</u>
Total Capital Assets not being Depreciated	12,829,823	7,587,172	(3,503,060)	16,913,935
Capital Assets being Depreciated:				
Buildings and Improvements	262,859,259	3,503,060	-	266,362,319
Furniture and Equipment	6,278,112	907,320	(321,368)	6,864,064
Library Books and Textbooks	20,586,976	977,708	(85,534)	21,479,150
Vehicles	<u>6,383,612</u>	<u>1,096,330</u>	<u>(530,394)</u>	<u>6,949,548</u>
Total Capital Assets being Depreciated	296,107,959	6,484,418	(937,296)	301,655,081
Less: Accumulated Depreciation for:				
Buildings and Improvements	91,222,090	6,088,946	-	97,311,036
Furniture and Equipment	3,965,255	489,584	(310,535)	4,144,304
Library Books and Textbooks	14,152,919	2,079,926	(85,534)	16,147,311
Vehicles	<u>4,374,560</u>	<u>499,142</u>	<u>(425,949)</u>	<u>4,447,753</u>
Total Accumulated Depreciation	113,714,824	9,157,598	(822,018)	122,050,404
Total Capital Assets being Depreciated, Net	<u>182,393,135</u>	<u>(2,673,180)</u>	<u>(115,278)</u>	<u>179,604,677</u>
Total Governmental Activities Capital Assets, Net	<u>\$195,222,958</u>	<u>\$4,913,992</u>	<u>\$(3,618,338)</u>	<u>\$196,518,612</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

Depreciation expense of \$9,157,598 for the year ended June 30, 2014 was charged to the following governmental functions:

Instruction:

Regular Education	\$ 1,748,782
Special Education	16,830
Vocational Education	5,972
Other Education Programs	8,778

Support Services:

Instructional Staff Support	524,671
General Administration (Including all Buildings)	6,161,387
School Administration	1,227
Business Services	25,723
Plant Services	145,520
Central Services	3,788
Student Transportation Services	497,601
School Food Services	<u>17,319</u>
Total	<u>\$ 9,157,598</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2014, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Employee Benefits and Withholdings</u>	<u>Total</u>
General Fund	\$1,423,585	\$12,066,400	\$11,919,240	\$25,409,225
Capital Projects Fund	1,552,612	-	-	1,552,612
Nonmajor Funds	<u>973,531</u>	<u>943,648</u>	<u>-</u>	<u>1,917,179</u>
Total	<u>\$3,949,728</u>	<u>\$13,010,048</u>	<u>\$11,919,240</u>	<u>\$28,879,016</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

(8) Defined Benefit Pension Plans -

A. Plan Descriptions, Contribution Information and Funding Policies -

Every employee of Livingston Parish Public Schools contributes to some type of retirement plan. Substantially, most employees are members of either Teachers' Retirement System of Louisiana (TRSL), or State of Louisiana School Employees' Retirement System (LSERS). In general, professional employees, including, but not limited to, classroom teachers, educators not working in the classroom, principals, accountants, bookkeepers, secretaries, paraprofessionals, and School Food Service employees are members of TRSL. LSERS members included employees who work more than 20 hours per week in the position of Bus Aide, Bus Driver, Custodian or Maintenance.

The following is a summary of eligibility factors, contribution methods, and benefit provisions.

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Eligibility to Participate	Employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(23)(a).	Employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.	Membership is mandatory for all employees under age 60 employed by a Louisiana Parish or City School Board who work more than 20 hours as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	8.00%	9.10%	7.50% - Hired before July 1, 2010 8.00% - Hired on or after July 1, 2010
School Board's Contribution Rate (Percent of Covered Payroll)	27.20%	32.30%	32.30%
Period Required to Vest	5 years	5 years	10 years (Membership prior to July 1, 2010) 5 Years (Membership on or after July 1, 2010)
Benefits and Eligibility for Distribution (Full-time)	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	Final average compensation is based on when membership begins:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

Teachers' Retirement System of Louisiana - Regular Plan	Teachers' Retirement System of Louisiana - Plan A	State of Louisiana School Employees' Retirement System																																				
Membership prior to July 1, 1999	Membership includes School Food Service Workers who were active members of the School Lunch Employees' Retirement System on July 1, 1983, when the System merged with TRSL.	Membership prior to July 1, 2006: Benefit based on 36 highest successive months which are subject to the 10% salary limitation.																																				
<table> <tr> <th>Years</th><th>Min.</th><th>Formula</th></tr> <tr> <th><u>Service</u></th><th><u>Age</u></th><th><u>Percentage</u></th></tr> <tr> <td>5</td><td>60</td><td>2.0%</td></tr> <tr> <td>20</td><td>Any Age</td><td>2.0%</td></tr> <tr> <td>25</td><td>55</td><td>2.5%</td></tr> <tr> <td>30</td><td>Any Age</td><td>2.5%</td></tr> <tr> <td>20</td><td>65</td><td>2.5%</td></tr> </table>	Years	Min.	Formula	<u>Service</u>	<u>Age</u>	<u>Percentage</u>	5	60	2.0%	20	Any Age	2.0%	25	55	2.5%	30	Any Age	2.5%	20	65	2.5%	<table> <tr> <th>Years</th><th>Min.</th><th>Formula</th></tr> <tr> <th><u>Service</u></th><th><u>Age</u></th><th><u>Percentage</u></th></tr> <tr> <td>5</td><td>60</td><td>3.0%</td></tr> <tr> <td>25</td><td>55</td><td>3.0%</td></tr> <tr> <td>30</td><td>Any Age</td><td>3.0%</td></tr> </table>	Years	Min.	Formula	<u>Service</u>	<u>Age</u>	<u>Percentage</u>	5	60	3.0%	25	55	3.0%	30	Any Age	3.0%	Membership on or after July 1, 2006 through June, 2010: Benefit based on 60 highest successive months which are subject to the 10% salary limitation.
Years	Min.	Formula																																				
<u>Service</u>	<u>Age</u>	<u>Percentage</u>																																				
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Membership between July 1, 1999 and December 31, 2010	Plan A Members who did not contribute to retirement until their employers withdrew from Social Security coverage will receive:	Membership on or after July 1, 2010: Benefit based on 60 highest successive months which are subject to the 15% salary limitation.**																																				
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Years	Min.	Formula																																				
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Membership on or after January 1, 2011		Accrual Rate for Calculation of Benefits																																				
Benefit based on 60 highest successive months which are subject to the 15% salary limitation.		<p>•Member prior to July 1, 2010 – 3.33%</p> <p>•Member on or after July 1, 2010 – 2.5%</p>																																				
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LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

Teachers' Retirement
System of Louisiana -
Regular Plan

Teachers' Retirement
System of Louisiana -
Plan A

State of Louisiana
School Employees'
Retirement System

Regular Service Retirement:
Member on or before June 30,
2010

<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
10	60	3.33%
20*	Any Age	3.33%
25	55	3.33%
30	Any Age	3.33%

*Actuarially Reduced Benefit

Member on or after July 1, 2010

<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
5	60	2.5%
20*	Any Age	2.5%

*Actuarially Reduced Benefit

Deferred Retirement
Option

Yes

<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
20	65	2.5%
25	55	2.5%
30	Any Age	2.5%
10	60	2.0%
5*	60	2.5%

*Membership on or after January
1, 2011, allows for DROP partici-
pation if the member has five
years of service credit at age 60 in
conformance with the retirement
eligibility provisions provided by
Act No. 992 of the 2010 R.S.

Yes

<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
10	60	3.0%
25	55	3.0%
30	Any Age	3.0%

Yes

Member prior to July 1, 2010

<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
10	60	3.33%
25	55	3.33%
30	Any Age	3.33%

Member on or after July 1, 2010

<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
5	60	2.5%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Provisions for:			
Cost of Living Adjustments (Normal Retirement)	Yes	Yes	Yes
Death (Duty, Non-Duty, Post Retirement)	Yes	Yes	Yes
Disability (Duty, Non-Duty)	Yes	Yes	Yes
Cost of Living Allowances	Yes	Yes	Yes

B. Trend Information -

Contributions required by State statute:

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>		<u>Teachers' Retirement System of Louisiana - Plan A</u>		<u>State of Louisiana School Employees' Retirement System</u>	
<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2005	\$11,445,128	100%	\$ 37,077	100%	\$ 953,322	100%
2006	\$12,770,586	100%	\$ 29,355	100%	\$1,222,461	100%
2007	\$13,876,912	100%	\$ 33,310	100%	\$1,545,886	100%
2008	\$17,235,237	100%	\$ 10,139	100%	\$1,749,675	100%
2009	\$17,152,858	100%	\$ 5,539	100%	\$1,841,646	100%
2010	\$17,391,534	100%	\$ 5,384	100%	\$1,732,526	100%
2011	\$22,653,846	100%	\$ 7,825	100%	\$2,414,069	100%
2012	\$24,796,426	100%	\$ 8,958	100%	\$2,720,476	100%
2013	\$26,160,705	100%	\$ 12,140	100%	\$3,004,382	100%
2014	\$29,945,549	100%	\$ 3,130	100%	\$3,280,136	100%

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their annual financial reports. Copies of these reports may be obtained from the respective State retirement systems.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

C. 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 \$369,321 which consisted of \$64,017 from the School Board and \$305,304 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, 2014.

(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, 2013	\$ 5,365,078	\$ 3,142,991	\$ 8,508,069
Additions	12,271,185	79,181,621	91,452,806
Deductions	<u>(12,102,525)</u>	<u>(78,927,089)</u>	<u>(91,029,614)</u>
Balance - June 30, 2014	<u>\$ 5,533,738</u>	<u>\$ 3,397,523</u>	<u>\$ 8,931,261</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

(10) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2014:

	Bonded Debt	Certificates of Indebtedness	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Long-Term Obligations -						
July 1, 2013	\$ 70,272,682	\$ 5,533,340	\$ 10,897,887	\$ 2,690,000	\$ 30,773,780	\$ 120,167,689
Additions	-	-	5,483,330	1,261,600	16,751,690	23,496,620
Amortization on Premium Received on Issuance of Bond	(8,549)	-	-	-	-	(8,549)
Deductions	(5,540,000)	(866,665)	(3,200,342)	(1,161,600)	(7,553,249)	(18,321,856)
Long-Term Obligations -						
June 30, 2014	<u>\$ 64,724,133</u>	<u>\$ 4,666,675</u>	<u>\$ 13,180,875</u>	<u>\$ 2,790,000</u>	<u>\$ 39,972,221</u>	<u>\$ 125,333,904</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, 2014:

	Bonded Debt	Certificates of Indebtedness	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Current Portion	\$ 4,369,133	\$ 866,665	\$ 3,295,219	\$ -	\$ -	\$ 8,531,017
Long-Term Portion	60,355,000	3,800,010	9,885,656	2,790,000	39,972,221	116,802,887
Total	<u>\$ 64,724,133</u>	<u>\$ 4,666,675</u>	<u>\$ 13,180,875</u>	<u>\$ 2,790,000</u>	<u>\$ 39,972,221</u>	<u>\$ 125,333,904</u>

Bonded Debt

All school board bonds outstanding at June 30, 2014 in the amount of \$64,555,000 consist of general obligation bonds with final maturities from 2016 to 2031 and interest rates from .1 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$4,369,133 and \$2,513,465, 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, 2014

	<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	\$ 6,650,343	\$ 20,080,000
School District No. 4:					
01/01/05	\$12,000,000	3.06-5.00%	2024	2,276,295	9,465,000
School District No. 22:					
06/01/10	\$20,000,000	2.00-4.13%	2030	6,652,431	17,865,000
11/01/11	\$10,000,000	3.00-5.00%	2031	3,882,031	9,305,000
06/07/12	\$7,165,000	1.95%	2022	490,815	5,930,000
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	9,540	120,000
08/01/01	\$ 450,000	.1%-6.50%	2016	6,435	85,000
School District No. 32-A:					
08/01/01	\$1,400,000	.1%-6.5%	2016	20,295	270,000
07/11/06	\$1,225,000	3.85-4.30%	2016	19,135	295,000
School District No. 33:					
01/01/05	\$1,750,000	3.75-5.00%	2024	<u>286,303</u>	<u>1,140,000</u>
Total General Obligation Bonds				<u>20,293,623</u>	<u>64,555,000</u>
Total Bonded Debt				<u>\$ 20,293,623</u>	<u>\$ 64,555,000</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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, 2014 the School Board has accumulated \$3,876,888 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2015	\$ 4,360,000	\$ 2,513,465	\$ 6,873,465
2016	4,575,000	2,350,675	6,925,675
2017	4,275,000	2,184,477	6,459,477
2018	4,225,000	2,026,603	6,251,603
2019	4,430,000	1,864,887	6,294,887
2020-2024	23,880,000	6,773,611	30,653,611
2025-2029	15,785,000	2,417,536	18,202,536
2030-2031	<u>3,025,000</u>	<u>162,369</u>	<u>3,187,369</u>
	64,555,000	<u>\$20,293,623</u>	<u>\$84,848,623</u>
Unamortized Premium On Bond Issuance	<u>169,133</u>		
	<u>\$64,724,133</u>		

Prior Years Advance Refundings

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, 2014, the principal balance on the defeased bonds is \$695,000. 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, 2014, the unamortized balance is \$13,810.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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, 2014, the statutory limit is approximately \$239,900,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$64,555,000.

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:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificates of Indebtedness					
School District No. 4:					
10/01/09	\$8,000,000	0.75%	2019	\$ 90,000	\$ 4,000,000
School District No. 31:					
10/01/09	\$1,000,000	0.75%	2024	<u>27,501</u>	<u>666,675</u>
Total Certificates of Indebtedness				<u>\$ 117,501</u>	<u>\$ 4,666,675</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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
2015	\$ 866,665	\$ 35,000	\$ 901,665	\$ 104,533	\$ 69,533
2016	866,665	28,500	895,165	85,120	56,620
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 to 2024	333,350	7,501	340,851	22,402	14,901
	<u>\$ 4,666,675</u>	<u>\$ 117,501</u>	<u>\$ 4,784,176</u>	<u>\$ 350,936</u>	<u>\$ 233,435</u>

As indicated in the above schedule, the School Board will pay \$117,501 in interest using the 0.75% rate instead of \$350,936 using the 2.24% rate or a difference of \$233,435. The difference or contribution is netted with interest expense in the debt service fund.

Compensated Absences

At June 30, 2014, employees of the School Board have accumulated and vested \$13,180,875 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 45) 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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 45 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 2014 and 2013, the Livingston Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$7,553,249 and \$6,469,674, respectively.

Effective July 1, 2007, the Livingston Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). 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 45. 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 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

Normal Cost	\$ 6,116,768
30-year UAL amortization amount	<u>11,183,622</u>
Annual required contribution (ARC)	<u>\$ 17,300,390</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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, 2014:

1. Net OPEB Obligation (Asset) – Beginning of Year	\$ 30,773,780
2. Annual Required Contribution	17,300,390
3. Interest on Net OPEB Obligation (Asset)	1,230,951
4. ARC Adjustment	<u>1,779,651</u>
5. OPEB Cost [2] + [3] - [4]	16,751,690
6. Contribution	-
7. Current Year Retiree Premium Paid	<u>7,553,249</u>
8. Change in Net OPEB Obligation [5] - [6] - [7]	<u>9,198,441</u>
9. Net OPEB Obligation (Asset) – End of Year [1] + [8]	<u>\$ 39,972,221</u>

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 (asset):

<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, 2012	\$ 11,719,557	50.30%	\$ 25,041,995
June 30, 2013	\$ 12,201,459	53.02%	\$ 30,773,780
June 30, 2014	\$ 16,751,690	45.09%	\$ 39,972,221

Funded Status and Funding Progress. In the fiscal year ending June 30, 2014, 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, 2013 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2014 was \$201,122,466 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

Actuarial Accrued Liability (AAL)	\$ 201,122,466
Actuarial Value of Plan Assets (AVPA)	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 201,122,466</u>
Funded Ratio (AVPA ÷ UAAL)	0%
Covered Payroll (active plan members)	\$ 125,235,590
UAAL as a percentage of covered payroll	160.60%

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.

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, 2014. 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 Statement 45.

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%. The rates for each age are below:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

<u>Age</u>	<u>Percent Turnover</u>
18 – 26	20.0%
27 – 41	12.0%
42 – 55	8.0%
56+	6.0%

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 Statement 45 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.

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 45 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

(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 \$468,024 of fund balance of the General Fund at June 30, 2014, 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 \$77,772 in the fiscal year ended June 30, 2014. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2014, amounted to \$630,357.

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, 2014, the School Board has assigned \$1,245,148 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, 2013, the School Board has assigned \$179,494 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 \$1,392,473 in the fiscal year ended June 30, 2014. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2014, amounted to \$2,159,643.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

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 \$2,593,653 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 -

The Capital Projects Fund shows total fund equity of \$4,178,655. A summary of commitments under construction contracts for each individual school district at June 30, 2014, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2014</u>	<u>Unexpended Commitment</u>
District #1	\$ 2,347,799	\$ 957,132	\$ 1,390,667
District #4	1,630,432	1,069,081	561,351
District #22	332,417	164,910	167,507
District #24	1,698,746	216,451	1,482,295
District #25	686,414	143,034	543,380
District #26	2,298,998	945,796	1,353,202
District #31	<u>17,170</u>	<u>17,170</u>	<u>-</u>
Total	<u>\$ 9,011,976</u>	<u>\$ 3,513,574</u>	<u>\$ 5,498,402</u>
	<u>Fund Balance at June 30, 2014</u>	<u>District Unexpended Commitment June 30, 2014</u>	<u>Actual Fund Balances Less Commitments June 30, 2014</u>
District #1	\$ 517,989	\$ 1,390,667	\$ (872,678)
District #4	523,122	561,351	(38,229)
District #22	829,306	167,507	661,799
District #24	796,970	1,482,295	(685,325)
District #25	293,086	543,380	(250,294)
District #26	379,033	1,353,202	(974,169)
District #27	214,386	-	214,386
District #31	369,414	-	369,414
District #32	86,124	-	86,124
District #33	<u>169,225</u>	<u>-</u>	<u>169,225</u>
	<u>\$ 4,178,655</u>	<u>\$ 5,498,402</u>	<u>\$(1,319,747)</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

At June 30, 2014 the unexpended commitments are recorded in the Capital Projects Fund as fund balance committed to contracts to the extent of available fund balances of \$2,677,707. The unavailable amount of \$2,820,695 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, 2014, 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, 2014, a balance of \$23,632,472 is restricted for utilities and maintenance as a result of these sales tax levies.

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, 2014 of \$1,308,502 are reflected as a restriction of fund balance.

(15) Litigation and Claims -

At June 30, 2014, 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 2014.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
Livingston Parish Council	\$ 14,446,388	\$ 217,490	\$ 14,228,898
Law Enforcement Subdistrict A	7,227,491	111,398	7,116,093
Livingston Parish Drainage Districts:			
No. 1	1,105,588	19,218	1,086,370
No. 2	825,474	16,521	808,953
No. 5	1,471,952	27,096	1,444,856
City of Denham Springs	7,191,558	106,698	7,084,860
City of Walker	3,382,295	55,779	3,326,516
Town of Livingston	364,315	7,287	357,028
Village of Albany	325,677	6,515	319,162
Town of Springfield	374,129	7,866	366,263
Livingston Parish Tourist Commission	299,264	8,978	290,286
Denham Springs Economic Development District	4,073,285	180,598	3,892,687
Juban Crossing Economic Development District	52,018	2,079	49,939
Total	<u>\$ 41,139,434</u>	<u>\$ 767,523</u>	<u>\$ 40,371,911</u>

(17) Current Accounting Pronouncements -

In June 2012, the Governmental Accounting Standards Board issued GASBS 68 — “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.” The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between a government's inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations and the resources available to satisfy those obligations. An additional objective of this Statement is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities. Statement No. 67, Financial Reporting for Pension Plans, establishes standards of financial reporting for defined benefit pension plans and defined contribution pension plans that are used to provide pensions that are within the scope of this Statement. The two Statements are closely related in some areas, and certain provisions of this Statement refer to Statement 67. This Statement will be required to be adopted by the School Board for fiscal year ending June 30, 2015.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for fiscal year ending June 30, 2015.

(18) Change in Accounting Principle -

The School Board adopted GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. Under GASB Statement 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as expense in the period incurred. The School Board had incurred debt financing cost in prior years for the issuance of its bonds. These costs were previously capitalized as assets and amortized as expense over the duration of the related debt. GASB 65 adopted a definition of cost of issuance on debt by identifying which costs are subject to capitalization. The costs paid by the School Board for debt issuance no longer met the GASB definition. In order to conform to GASB 65, the School Board removed Deferred Bond Issuance Costs and reduced net position as if the costs were expensed in the period incurred which were for the year ended June 30, 2012 and prior years. The following items have been restated as follows:

	<u>Total June 30, 2012</u>
Net Position - Beginning of Year as Previously Reported	\$ 124,368,439
Deferred Financing Cost Adjustment	<u>(676,884)</u>
Net Position - End of Year as Restated	<u>\$ 123,691,555</u>

The following items on the June 30, 2013 financial statements were adjusted as a result of adopting GASB 65:

	<u>Total June 30, 2013</u>
Deferred Bond Issuance Cost at June 30, 2013	\$ 582,628
Add June 30, 2013 Amortization of Cost of Issuance	<u>94,256</u>
Cummulated Effect of Change in Accounting Principle	<u>\$ 676,884</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2014

As a result of adopting the provisions of GASB 65 and removing the Deferred Bond Issuance Cost balance, the Change in Net Position for the year ended June 30, 2013 was restated from the amount originally reported of \$4,180,582 to the restated Change in Net Position of \$4,274,838. The change occurred because of the removal of the amortization of cost of issuance \$94,256.

(19) Subsequent Events -

Capital Lease Issuance

On August 22, 2014, the School Board entered into a lease purchase agreement with Mercedes-Benz Financial Services USA, LLC, for the purchase of 14 school buses at a cost of \$1,127,913. The quoted terms are for a five year lease with annual payments of principal and interest of approximately \$225,583. The first payment was due on August 22, 2014.

Issuance of Debt Refunding Bond in Walker District

On August 5, 2014, School District No. 4 of the Parish of Livingston, Louisiana issued an \$8,500,000 Series 2014 General Obligation School Bond for the purpose of refunding District No. 4's outstanding General Obligation School Bonds, dated January 1, 2005, maturing May 1, 2016 to May 1, 2024. The Bonds are secured by and payable from unlimited ad valorem taxation.

Issuance of General Obligation Bonds Series 2014 in Walker District

On November 20, 2014, School District No. 4 of the Parish of Livingston, Louisiana issued \$25,000,000 Series 2014 General Obligation School Bonds for the purpose of (i) acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within the Issuer and acquiring the necessary equipment and furnishings therefor, title to which shall be in the public and (ii) paying the costs of issuance of the Bonds. The Bonds are dated as of the date of delivery, which is anticipated to be December 30, 2014 and are secured and payable from unlimited ad valorem taxation. The principal repayment on these bonds are in varying amounts due on May 1 each year from 2015 through 2034 and bear interest rates varying from 3.00 % to 5.00%.

SCHEDULES REQUIRED BY STATE LAW

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

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
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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 1)

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 2)

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 4) 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 4) 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 3)

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 4)

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.

(No Differences Noted)

Public School Staff Data: Average Salaries (Schedule 5)

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.

(No Differences Noted)

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

(No Differences Noted)

Class Size Characteristics (Schedule 6)

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 7)

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 8)

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

iLEAP Tests (Schedule 9)

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 T. Bourgeois, CPA

Denham Springs, Louisiana
December 12, 2014

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

FOR THE YEAR ENDED JUNE 30, 2014

<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	\$ 74,288,364	
Other Instructional Staff Activities	8,541,363	
Instructional Staff Employee Benefits	39,140,480	
Purchased Professional and Technical Services	427,568	
Instructional Materials and Supplies	4,217,281	
Instructional Equipment	582,826	
Total Teacher and Student Interaction Activities		\$ 127,197,882
Other Instructional Activities		339,754
Pupil Support Services	12,013,959	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		12,013,959
Instructional Staff Services	5,889,842	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		5,889,842
School Administration	13,612,709	
Less: Equipment for School Administration	-	
Net School Administration		13,612,709
Total General Fund Instructional Expenditures (Total of Column B)		\$ 159,054,146
Total General Fund Equipment Expenditures		\$ 1,971,370

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2014

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$ 1,486,824
Renewable Ad Valorem Tax	8,667,813
Debt Service Ad Valorem Tax	5,185,288
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	512,664
Sales and Use Taxes	38,001,985
Total Local Taxation Revenue	<u>\$ 53,854,574</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 5,362
Earnings from Other Real Property	52,692
Total Local Earnings on Investment in Real Property	<u>\$ 58,054</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 155,025
Revenue Sharing - Other Taxes	772,299
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 927,324</u>

Nonpublic Textbook Revenue	<u>\$ 859</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, 2013

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	5	0%	0	0%	0	0%	0	0%
Bachelor's Degree	1164	75%	0	0%	0	0%	0	0%
Master's Degree	283	19%	0	0%	47	64%	0	0%
Master's Degree + 30	79	5%	0	0%	24	32%	0	0%
Specialist in Education	11	1%	0	0%	3	4%	0	0%
Ph. D. or Ed. D.	6	0%	0	0%	0	0%	0	0%
Total	1,548	100%	0	0%	74	100%	0	0%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD**NUMBER AND TYPE OF PUBLIC SCHOOLS****FOR THE YEAR ENDED JUNE 30, 2014**

Type	Number
Elementary	23
Middle/Jr. High	8
Secondary	9
Combination	3
Total	43

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, 2013

	0-1 Yr.	2-3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	2	6	9	4	5	26
Principals	-	-	-	2	13	10	23	48
Classroom Teachers	117	90	493	244	218	184	202	1,548
Total	117	90	495	252	240	198	230	1,622

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$ 49,366	\$ 49,306
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 48,662	\$ 49,173
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,510	1,495

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, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	47.9%	1,319	46.1%	1,269	6.0%	166	0.0%	-
Elementary Activity Classes	28.2%	158	61.8%	346	9.8%	55	0.2%	1
Middle/Jr. High	33.5%	454	32.9%	444	32.9%	444	0.7%	9
Middle/Jr. High Activity Classes	16.7%	45	19.3%	52	38.3%	103	25.7%	69
High	55.4%	1,723	21.8%	678	22.6%	704	0.2%	5
High Activity Classes	72.0%	334	9.9%	46	12.7%	59	5.4%	25
Combination	84.2%	491	12.5%	73	2.6%	15	0.7%	4
Combination Activity Classes	77.6%	59	17.1%	13	4.0%	3	1.3%	1

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, 2014

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	8%	9%	8%	18%	12%	11%
Mastery	37%	30%	31%	30%	27%	28%
Basic	41%	46%	48%	36%	41%	46%
Approaching Basic	10%	12%	10%	11%	12%	11%
Unsatisfactory	4%	3%	3%	5%	8%	4%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	5%	6%	12%	2%	3%	3%
Mastery	22%	25%	26%	21%	23%	22%
Basic	56%	51%	47%	61%	58%	58%
Approaching Basic	15%	15%	13%	12%	12%	12%
Unsatisfactory	2%	3%	2%	4%	4%	5%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	5%	6%	6%	6%	3%	4%
Mastery	24%	26%	26%	7%	7%	7%
Basic	48%	49%	48%	65%	64%	62%
Approaching Basic	19%	16%	17%	15%	18%	19%
Unsatisfactory	4%	3%	3%	7%	8%	8%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	4%	4%	5%	3%	4%	5%
Mastery	31%	28%	30%	24%	21%	23%
Basic	48%	49%	44%	54%	57%	54%
Approaching Basic	14%	16%	17%	13%	13%	13%
Unsatisfactory	3%	3%	4%	6%	5%	5%
Total	100%	100%	100%	100%	100%	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

GRADUATION EXIT EXAM (GEE)

FOR THE YEAR ENDED JUNE 30, 2014

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, 2014

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 3 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	9%	8%	7%	16%	12%	12%
Mastery	31%	27%	30%	26%	26%	28%
Basic	41%	48%	45%	40%	43%	42%
Approaching Basic	12%	11%	12%	12%	14%	12%
Unsatisfactory	7%	6%	6%	6%	5%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 3 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	7%	8%	7%	2%	4%	2%
Mastery	27%	28%	33%	21%	24%	27%
Basic	47%	46%	43%	55%	51%	47%
Approaching Basic	14%	15%	14%	15%	13%	16%
Unsatisfactory	5%	3%	3%	7%	8%	8%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 5 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	8%	6%	4%	6%	7%	10%
Mastery	27%	27%	26%	18%	21%	17%
Basic	47%	51%	51%	55%	51%	55%
Approaching Basic	13%	12%	14%	12%	14%	12%
Unsatisfactory	5%	4%	5%	9%	7%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 5 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	6%	6%	6%	5%	8%	4%
Mastery	24%	28%	26%	18%	21%	20%
Basic	52%	47%	48%	59%	50%	55%
Approaching Basic	15%	16%	17%	13%	13%	14%
Unsatisfactory	3%	3%	3%	5%	8%	7%
Total	100%	100%	100%	100%	100%	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 6 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	7%	6%	7%	12%	10%	8%
Mastery	30%	26%	25%	16%	18%	17%
Basic	47%	51%	52%	56%	53%	58%
Approaching Basic	11%	12%	12%	11%	12%	10%
Unsatisfactory	5%	5%	4%	5%	7%	7%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 6 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	8%	9%	7%	15%	20%	15%
Mastery	29%	32%	27%	21%	20%	18%
Basic	47%	41%	48%	49%	43%	48%
Approaching Basic	13%	14%	15%	11%	12%	14%
Unsatisfactory	3%	4%	3%	4%	5%	5%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 7 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	10%	9%	6%	10%	4%	6%
Mastery	27%	23%	23%	19%	15%	16%
Basic	47%	51%	51%	57%	61%	58%
Approaching Basic	13%	15%	16%	9%	14%	14%
Unsatisfactory	3%	2%	4%	5%	6%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 7 Students	Percent	Percent	Percent	Number	Percent	Number
Advanced	10%	5%	4%	12%	7%	6%
Mastery	34%	26%	30%	25%	27%	24%
Basic	39%	46%	43%	48%	49%	47%
Approaching Basic	13%	18%	19%	11%	11%	16%
Unsatisfactory	4%	5%	4%	4%	6%	7%
Total	100%	100%	100%	100%	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, 2014

(With Comparative Totals as of June 30, 2013)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 974,280	\$ 1,157,306	\$ 852,387	\$ 854,265	\$ 319,497	\$ 718,197
Receivables	5,967	4,211	3,169	1,438	484	917
Total Assets	<u>\$ 980,247</u>	<u>\$ 1,161,517</u>	<u>\$ 855,556</u>	<u>\$ 855,703</u>	<u>\$ 319,981</u>	<u>\$ 719,114</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ 462,258	\$ 638,395	\$ 26,250	\$ 58,733	\$ 26,895	\$ 340,081
Total Liabilities	462,258	638,395	26,250	58,733	26,895	340,081
Fund Equity:						
Fund Balances:						
Committed To:						
Contracts	517,989	523,122	167,507	796,970	293,086	379,033
Assigned To:						
Capital Projects	-	-	661,799	-	-	-
Total Fund Equity	<u>517,989</u>	<u>523,122</u>	<u>829,306</u>	<u>796,970</u>	<u>293,086</u>	<u>379,033</u>
Total Liabilities and Fund Equity	<u>\$ 980,247</u>	<u>\$ 1,161,517</u>	<u>\$ 855,556</u>	<u>\$ 855,703</u>	<u>\$ 319,981</u>	<u>\$ 719,114</u>

See auditor's report.

SCHOOL DISTRICTS				TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	2014	2013
\$ 213,432	\$ 369,137	\$ 85,471	\$ 168,923	\$ 5,712,895	\$ 6,140,944
954	277	653	302	18,372	13,980
<u>\$ 214,386</u>	<u>\$ 369,414</u>	<u>\$ 86,124</u>	<u>\$ 169,225</u>	<u>\$ 5,731,267</u>	<u>\$ 6,154,924</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,552,612	\$ 1,128,239
-	-	-	-	1,552,612	1,128,239
-	-	-	-	2,677,707	814,496
<u>214,386</u>	<u>369,414</u>	<u>86,124</u>	<u>169,225</u>	<u>1,500,948</u>	<u>4,212,189</u>
<u>214,386</u>	<u>369,414</u>	<u>86,124</u>	<u>169,225</u>	<u>4,178,655</u>	<u>5,026,685</u>
<u>\$ 214,386</u>	<u>\$ 369,414</u>	<u>\$ 86,124</u>	<u>\$ 169,225</u>	<u>\$ 5,731,267</u>	<u>\$ 6,154,924</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, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 733,942	\$ 517,868	\$ 389,781	\$ 176,866	\$ 59,483	\$ 112,729
Interest Earnings	8,151	5,762	4,330	1,976	671	1,243
State Sources:						
Unrestricted						
Grants-in-Aid	74,384	52,485	39,504	17,925	6,028	11,425
Total Revenues	816,477	576,115	433,615	196,767	66,182	125,397
Expenditures:						
Support Services:						
General Administration	29,082	20,520	15,445	7,008	2,357	4,467
Capital Outlay	1,886,554	3,359,962	559,910	641,451	115,275	945,795
Total Expenditures	1,915,636	3,380,482	575,355	648,459	117,632	950,262
Excess (Deficiency) of Revenues over Expenditures	(1,099,159)	(2,804,367)	(141,740)	(451,692)	(51,450)	(824,865)
Other Financing Sources						
Transfers In	875,000	2,300,000	-	390,000	-	750,000
Total Other Financing Sources	875,000	2,300,000	-	390,000	-	750,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(224,159)	(504,367)	(141,740)	(61,692)	(51,450)	(74,865)
Fund Balances at Beginning of Year	742,148	1,027,489	971,046	858,662	344,536	453,898
Fund Balances at End of Year	\$ 517,989	\$ 523,122	\$ 829,306	\$ 796,970	\$ 293,086	\$ 379,033

See auditor's report.

Schedule 11

SCHOOL DISTRICTS				TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	2014	2013
\$ 117,292 1,296	\$ 34,127 379	\$ 80,273 895	\$ 37,197 411	\$ 2,259,558 25,114	\$ 2,087,974 40,049
11,888	3,459	8,136	3,770	229,004	218,139
130,476	37,965	89,304	41,378	2,513,676	2,346,162
4,648	1,352	3,181	1,474	89,534	81,418
-	17,170	61,055	-	7,587,172	10,069,938
4,648	18,522	64,236	1,474	7,676,706	10,151,356
125,828	19,443	25,068	39,904	(5,163,030)	(7,805,194)
-	-	-	-	4,315,000	4,000,000
-	-	-	-	4,315,000	4,000,000
125,828	19,443	25,068	39,904	(848,030)	(3,805,194)
88,558	349,971	61,056	129,321	5,026,685	8,831,879
\$ 214,386	\$ 369,414	\$ 86,124	\$ 169,225	\$ 4,178,655	\$ 5,026,685

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.

No Child Left Behind (NCLB) Title I Fund – NCLB 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 NCLB Fund - The Other Federal NCLB Fund is used to account for all other NCLB 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, 2014

(With Comparative Totals as of June 30, 2013)

ASSETS	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Chapter 1	Special Education	Maintenance of Schools	School Lunch
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,031,928	\$ 442,997
Receivables	1,723,031	1,679,963	25,713	42,201
Inventory	-	-	-	381,604
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ <u>1,723,031</u>	\$ <u>1,679,963</u>	\$ <u>3,057,641</u>	\$ <u>866,802</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 179,173	\$ 273,003	\$ 858,563	\$ 501,885
Due to Other Funds	<u>1,543,858</u>	<u>1,406,960</u>	<u>-</u>	<u>-</u>
Total Liabilities	1,723,031	1,679,963	858,563	501,885
Fund Equity:				
Fund Balances - Nonspendable:				
Inventory	-	-	-	364,917
Restricted For:				
Debt Service	-	-	-	-
Maintenance of Schools	-	-	2,199,078	-
Assigned To:				
School Lunch Program	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>2,199,078</u>	<u>364,917</u>
Total Liabilities and Fund Equity	\$ <u>1,723,031</u>	\$ <u>1,679,963</u>	\$ <u>3,057,641</u>	\$ <u>866,802</u>

See auditor's report.

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2014	2013
\$ -	\$ -	\$ 2,210,805	\$ 5,685,730	\$ 6,239,323
549,519	195,081	177,296	4,392,804	6,032,644
-	-	-	381,604	343,095
-	-	1,500,000	1,500,000	1,500,000
\$ 549,519	\$ 195,081	\$ 3,888,101	\$ 11,960,138	\$ 14,115,062
\$ 84,668	\$ 8,674	\$ 11,213	\$ 1,917,179	\$ 380,137
464,851	186,407	-	3,602,076	5,730,263
549,519	195,081	11,213	5,519,255	6,110,400
-	-	-	364,917	343,095
-	-	3,876,888	3,876,888	5,485,735
-	-	-	2,199,078	2,008,707
-	-	-	-	167,125
-	-	3,876,888	6,440,883	8,004,662
\$ 549,519	\$ 195,081	\$ 3,888,101	\$ 11,960,138	\$ 14,115,062

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

SPECIAL REVENUE FUNDS

	Elementary and Secondary Education Act Chapter 1	Special Education	Maintenance of Schools	School Lunch
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ 3,163,454	\$ -
Sales Taxes	-	-	-	-
Interest Earnings	-	-	15,974	282
Food Services	-	-	-	2,819,216
Other	-	-	-	157,238
State Sources - Unrestricted:				
Grants-in-Aid	-	-	222,407	402,250
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	212,068	203,036	-	-
Restricted Grants-in-Aid - Subgrants	4,365,161	4,259,964	-	6,699,766
Other - Commodities	-	-	-	749,924
Total Revenues	4,577,229	4,463,000	3,401,835	10,828,676
Expenditures:				
Instruction:				
Regular Programs	-	-	1,899	-
Special Programs	-	1,191,555	-	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	3,940,890	-	-	-
Support Services:				
Pupil Support	-	1,578,671	-	-
Instructional Staff Support	346,907	1,442,578	-	-
General Administration	-	-	125,349	-
School Administration	3,481	-	-	-
Business Services	-	-	-	-
Plant Services	-	1,746	5,029,216	-
Transportation Services	-	23,278	-	-
Food Services	-	-	-	12,823,979

(CONTINUED)

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2014	2013
\$ -	\$ -	\$ 5,185,288	\$ 8,348,742	\$ 8,472,180
-	-	1,640,681	1,640,681	1,535,765
-	-	43,285	59,541	111,531
-	-	-	2,819,216	2,843,797
-	-	8,459	165,697	52,328
-	-	-	624,657	626,176
53,899	24,258	-	493,261	499,128
1,504,780	531,375	-	17,361,046	19,292,849
-	-	-	749,924	842,401
<u>1,558,679</u>	<u>555,633</u>	<u>6,877,713</u>	<u>32,262,765</u>	<u>34,276,155</u>
-	-	-	1,899	2,810
3,008	-	-	1,194,563	1,369,531
240,850	-	-	240,850	287,916
136,571	-	-	136,571	134,141
999,782	106,795	-	5,047,467	6,647,890
56,161	-	-	1,634,832	1,587,271
38,311	424,580	-	2,252,376	2,337,321
-	-	230,050	355,399	339,376
-	-	-	3,481	3,353
2,778	-	-	2,778	286
-	-	-	5,030,962	3,547,349
1,314	-	-	24,592	21,083
-	-	-	12,823,979	12,511,721

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

SPECIAL REVENUE FUNDS

	Elementary and Secondary Education Act Chapter 1	Special Education	Maintenance of Schools	School Lunch
Expenditures (Continued):				
Community Service Programs	73,883	15,861	-	-
Capital Outlay	-	6,275	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	<u>4,365,161</u>	<u>4,259,964</u>	<u>5,156,464</u>	<u>12,823,979</u>
Excess (Deficiency) of Revenues Over Expenditures	212,068	203,036	(1,754,629)	(1,995,303)
Other Financing Sources (Uses):				
Transfers In	-	-	1,945,000	1,850,000
Transfers Out	<u>(212,068)</u>	<u>(203,036)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(212,068)</u>	<u>(203,036)</u>	<u>1,945,000</u>	<u>1,850,000</u>
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	190,371	(145,303)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>2,008,707</u>	<u>510,220</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,199,078</u>	<u>\$ 364,917</u>

See auditor's report.

Schedule 13
(Continued)

<u>SPECIAL REVENUE FUNDS</u>				
<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>	
			<u>2014</u>	<u>2013</u>
-	-	-	89,744	85,495
26,005	-	-	32,280	23,069
-	-	6,406,665	6,406,665	6,165,369
-	-	2,758,010	2,758,010	2,924,682
<u>1,504,780</u>	<u>531,375</u>	<u>9,394,725</u>	<u>38,036,448</u>	<u>37,988,663</u>
53,899	24,258	(2,517,012)	(5,773,683)	(3,712,508)
-	-	908,165	4,703,165	3,174,643
<u>(53,899)</u>	<u>(24,258)</u>	<u>-</u>	<u>(493,261)</u>	<u>(499,128)</u>
<u>(53,899)</u>	<u>(24,258)</u>	<u>908,165</u>	<u>4,209,904</u>	<u>2,675,515</u>
-	-	(1,608,847)	(1,563,779)	(1,036,993)
-	-	5,485,735	8,004,662	9,041,655
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,876,888</u>	<u>\$ 6,440,883</u>	<u>\$ 8,004,662</u>

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 4,250,287	\$ 5,389,470	\$ 4,577,229	\$ (812,241)
Total Revenues	4,250,287	5,389,470	4,577,229	(812,241)
Expenditures:				
Instruction - Other Programs	3,628,463	4,595,050	3,940,890	654,160
Support Services:				
Instructional Staff Support	369,703	463,921	346,907	117,014
School Administration	3,200	3,600	3,481	119
Community Services Programs	52,000	77,200	73,883	3,317
Total Expenditures	4,053,366	5,139,771	4,365,161	774,610
Excess of Revenues Over Expenditures	196,921	249,699	212,068	(37,631)
Other Financing Sources (Uses):				
Transfers Out	(196,921)	(249,699)	(212,068)	37,631
Total Other Financing Sources (Uses)	(196,921)	(249,699)	(212,068)	37,631
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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 4,738,085	\$ 8,521,251	\$ 4,463,000	\$ (4,058,251)
Total Revenues	4,738,085	8,521,251	4,463,000	(4,058,251)
Expenditures:				
Instruction:				
Special Programs	1,578,093	4,316,308	1,191,555	3,124,753
Support Services:				
Pupil Support	1,767,359	1,849,167	1,578,671	270,496
Instructional Staff Support	1,042,177	1,829,258	1,442,578	386,680
Plant Services	-	-	1,746	(1,746)
Transportation Services	71,008	71,008	23,278	47,730
Community Service Programs	16,440	17,440	15,861	1,579
Capital Outlay	50,000	50,000	6,275	43,725
Total Expenditures	4,525,077	8,133,181	4,259,964	3,873,217
Excess of Revenues Over Expenditures	213,008	388,070	203,036	(185,034)
Other Financing Sources (Uses):				
Transfers Out	(213,008)	(388,070)	(203,036)	185,034
Total Other Financing Sources (Uses)	(213,008)	(388,070)	(203,036)	185,034
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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 3,200,000	\$ 3,200,000	\$ 3,163,454	\$ (36,546)
Interest Earnings	21,300	19,000	15,974	(3,026)
State Sources:				
Unrestricted:				
Grants-in-Aid	223,927	222,407	222,407	-
Total Revenues	3,445,227	3,441,407	3,401,835	(39,572)
Expenditures:				
Instruction:				
Regular Programs	5,400	6,675	1,899	4,776
Support Services:				
General Administration	120,492	125,349	125,349	-
Plant Services	4,142,833	6,445,950	5,029,216	1,416,734
Total Expenditures	4,268,725	6,577,974	5,156,464	1,421,510
Excess (Deficiency) of Revenues Over Expenditures	(823,498)	(3,136,567)	(1,754,629)	1,381,938
Other Financing Sources (Uses):				
Transfers In	1,010,000	3,220,000	1,945,000	(1,275,000)
Total Other Financing Sources (Uses)	1,010,000	3,220,000	1,945,000	(1,275,000)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	186,502	83,433	190,371	106,938
Fund Balance at Beginning of Year	2,008,707	2,008,707	2,008,707	-
Fund Balance at End of Year	\$ 2,195,209	\$ 2,092,140	\$ 2,199,078	\$ 106,938

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Interest Earnings	\$ 500	\$ 250	\$ 282	\$ 32
Food Services	2,860,846	2,823,950	2,819,216	(4,734)
Other	40,000	150,000	157,238	7,238
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in-				
Aid-Subgrants	6,650,000	6,699,767	6,699,766	(1)
Other - Commodities	<u>739,803</u>	<u>739,803</u>	<u>749,924</u>	<u>10,121</u>
Total Revenues	10,693,399	10,816,020	10,828,676	12,656
Expenditures:				
Support Services:				
Food Services	<u>12,780,107</u>	<u>12,894,712</u>	<u>12,823,979</u>	<u>70,733</u>
Total Expenditures	<u>12,780,107</u>	<u>12,894,712</u>	<u>12,823,979</u>	<u>70,733</u>
Deficiency of Revenues				
Over Expenditures	(2,086,708)	(2,078,692)	(1,995,303)	83,389
Other Financing Sources (Uses):				
Transfers In	<u>2,225,000</u>	<u>2,225,000</u>	<u>1,850,000</u>	<u>(375,000)</u>
Excess (Deficiency) of				
Expenditures and Other Uses				
Over Revenues and Other				
Sources	138,292	146,308	(145,303)	(291,611)
Fund Balance at Beginning of Year	<u>510,220</u>	<u>510,220</u>	<u>510,220</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 648,512</u>	<u>\$ 656,528</u>	<u>\$ 364,917</u>	<u>\$ (291,611)</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,466,551	\$ 1,567,041	\$ 1,558,679	\$ (8,362)
Total Revenues	1,466,551	1,567,041	1,558,679	(8,362)
Expenditures:				
Instruction:				
Special Programs	-	-	3,008	(3,008)
Vocational Programs	243,650	256,185	240,850	15,335
Adult and Continuing Education Program	132,874	144,574	136,571	8,003
Other Programs	930,557	956,578	999,782	(43,204)
Support Services:				
Pupil Support	51,274	63,483	56,161	7,322
Instructional Staff Support	53,990	63,817	38,311	25,506
Business Services	-	-	2,778	(2,778)
Transportation Services	800	800	1,314	(514)
Capital Outlay	-	26,005	26,005	-
Total Expenditures	1,413,145	1,511,442	1,504,780	6,662
Excess of Revenues Over Expenditures	53,406	55,599	53,899	(1,700)
Other Financing Sources (Uses):				
Transfers Out	(53,406)	(55,599)	(53,899)	1,700
Total Other Financing Sources (Uses)	(53,406)	(55,599)	(53,899)	1,700
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 - OTHER FEDERAL ESEA FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 801,957	\$ 1,322,130	\$ 555,633	\$ (766,497)
Total Revenues	801,957	1,322,130	555,633	(766,497)
Expenditures:				
Instruction:				
Other Programs	182,428	194,163	106,795	87,368
Support Services:				
Instructional Staff Support	583,551	1,068,210	424,580	643,630
Total Expenditures	765,979	1,262,373	531,375	730,998
Excess of Revenues Over Expenditures	35,978	59,757	24,258	(35,499)
Other Financing Sources (Uses):				
Transfers Out	(35,978)	(59,757)	(24,258)	35,499
Total Other Financing Sources (Uses)	(35,978)	(59,757)	(24,258)	35,499
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, 2014

(With Comparative Totals as of June 30, 2013)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 240,487	\$ 76,431	\$ 1,308,219	\$ 104,029	\$ 34,539	\$ 33,301
Investments	163,921	45,377	918,642	65,650	21,797	21,015
Sales Tax Receivable	-	-	141,156	-	-	-
Due from Other Government	19,262	6,685	6,297	-	-	-
Total Assets	<u>\$ 423,670</u>	<u>\$ 128,493</u>	<u>\$ 2,374,314</u>	<u>\$ 169,679</u>	<u>\$ 56,336</u>	<u>\$ 54,316</u>
LIABILITIES AND FUND EQUITY						
Accounts, Salaries and Other Payables	\$ -	\$ 11,213	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	11,213	-	-	-	-
Fund Equity -						
Fund Balances:						
Restricted For:						
Debt Service	423,670	117,280	2,374,314	169,679	56,336	54,316
Total Fund Equity	423,670	117,280	2,374,314	169,679	56,336	54,316
Total Liabilities and Fund Equity	<u>\$ 423,670</u>	<u>\$ 128,493</u>	<u>\$ 2,374,314</u>	<u>\$ 169,679</u>	<u>\$ 56,336</u>	<u>\$ 54,316</u>

See auditor's report.

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2014	2013
\$ 49,307	\$ 188,217	\$ 96,245	\$ 80,030	\$ 2,210,805	\$ 3,819,359
31,117	119,271	61,615	51,595	1,500,000	1,500,000
-	-	-	-	141,156	131,044
1	779	1,389	1,727	36,140	35,603
<u>\$ 80,425</u>	<u>\$ 308,267</u>	<u>\$ 159,249</u>	<u>\$ 133,352</u>	<u>\$ 3,888,101</u>	<u>\$ 5,486,006</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,213	\$ 271
-	-	-	-	11,213	271
<u>80,425</u>	<u>308,267</u>	<u>159,249</u>	<u>133,352</u>	<u>3,876,888</u>	<u>5,485,735</u>
<u>80,425</u>	<u>308,267</u>	<u>159,249</u>	<u>133,352</u>	<u>3,876,888</u>	<u>5,485,735</u>
<u>\$ 80,425</u>	<u>\$ 308,267</u>	<u>\$ 159,249</u>	<u>\$ 133,352</u>	<u>\$ 3,888,101</u>	<u>\$ 5,486,006</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, 2014

(With Comparative Totals for the Year Ended June 30, 2013)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 2,071,139	\$ 1,067,072	\$ 1,391,157	\$ (232)	\$ -	\$ -
Sales Taxes	-	-	1,640,681	-	-	-
Other Revenues	-	-	8,459	-	-	-
Interest Earnings	17,292	8,932	8,133	2,008	643	1,202
Total Revenues	2,088,431	1,076,004	3,048,430	1,776	643	1,202
Expenditures:						
Support Service:						
General Administration	83,380	55,422	58,467	1,035	-	-
Debt Service:						
Principal Retirement	1,810,000	1,515,000	1,970,000	245,000	-	-
Interest and Bank Charges	965,560	447,553	1,221,541	5,053	-	-
Total Expenditures	2,858,940	2,017,975	3,250,008	251,088	-	-
Excess (Deficiency) of Revenues over Expenditures	(770,509)	(941,971)	(201,578)	(249,312)	643	1,202
Other Financing Sources						
Transfers In	-	836,000	-	-	-	-
Total Other Financing Sources	-	836,000	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(770,509)	(105,971)	(201,578)	(249,312)	643	1,202
Fund Balances at Beginning of Year	1,194,179	223,251	2,575,892	418,991	55,693	53,114
Fund Balances at End of Year	\$ 423,670	\$ 117,280	\$ 2,374,314	\$ 169,679	\$ 56,336	\$ 54,316

See auditor's report

Schedule 16

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2014	2013
\$ 103	\$ 150,240	\$ 313,914	\$ 191,895	\$ 5,185,288	\$ 5,387,932
-	-	-	-	1,640,681	1,535,765
-	-	-	-	8,459	-
1,418	686	1,827	1,144	43,285	87,136
1,521	150,926	315,741	193,039	6,877,713	7,010,833
1,035	7,585	14,037	9,089	230,050	218,884
255,000	161,665	260,000	190,000	6,406,665	6,165,369
5,259	20,935	37,975	54,134	2,758,010	2,924,682
261,294	190,185	312,012	253,223	9,394,725	9,308,935
(259,773)	(39,259)	3,729	(60,184)	(2,517,012)	(2,298,102)
-	72,165	-	-	908,165	949,643
-	72,165	-	-	908,165	949,643
(259,773)	32,906	3,729	(60,184)	(1,608,847)	(1,348,459)
340,198	275,361	155,520	193,536	5,485,735	6,834,194
\$ <u>80,425</u>	\$ <u>308,267</u>	\$ <u>159,249</u>	\$ <u>133,352</u>	\$ <u>3,876,888</u>	\$ <u>5,485,735</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:

<u>Entity</u>	<u>Sales and Use Tax Percent</u>	<u>Percent of Sales Tax Pledged to District</u>
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%
	<u>6.00%</u>	

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:

<u>Entity</u>	<u>Sales and Use Tax Percent</u>	<u>Percent of Sales Tax Pledged to District</u>
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%
	<u>6.50%</u>	

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

(With Comparative Totals as of June 30, 2013)

	School Activity	Sales Tax	Total Fiduciary Funds	
			2014	2013
ASSETS				
Cash and Cash Equivalents	\$ 5,533,738	\$ 3,397,523	\$ 8,931,261	\$ 8,508,069
Total Assets	\$ 5,533,738	\$ 3,397,523	\$ 8,931,261	\$ 8,508,069
LIABILITIES				
Amounts Held for School Activities	\$ 5,533,738	\$ -	\$ 5,533,738	\$ 5,365,078
Deposits Due to Others	-	3,397,523	3,397,523	3,142,991
Total Liabilities	\$ 5,533,738	\$ 3,397,523	\$ 8,931,261	\$ 8,508,069

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, 2014

<u>School</u>	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Albany High	\$ 153,054	\$ 558,656	\$ 568,482	\$ 143,228
Albany Middle School	166,509	236,407	207,947	194,969
Albany Upper Elementary	40,776	91,564	100,833	31,507
Albany Lower Elementary	106,963	142,416	144,648	104,731
Denham Springs High	207,838	1,398,695	1,397,780	208,753
Denham Springs Freshman High	134,889	142,582	145,970	131,501
Denham Springs Junior High	175,447	354,561	325,942	204,066
Denham Springs Elementary	53,949	141,328	133,573	61,704
Doyle High	128,893	272,903	277,877	123,919
Doyle Elementary	106,691	131,273	124,541	113,423
Eastside Elementary	106,827	133,955	139,725	101,057
French Settlement High	167,879	319,099	312,589	174,389
French Settlement Elementary	168,881	91,768	82,831	177,818
Freshwater Elementary	62,469	95,078	97,064	60,483
Frost Elementary	54,177	143,671	139,537	58,311
Gray's Creek Elementary	53,783	164,455	165,139	53,099
Holden High	204,156	344,570	334,183	214,543
Juban Parc Junior High	117,826	206,087	203,702	120,211
Juban Parc Elementary	49,593	147,381	140,912	56,062
Levi Milton Elementary	74,460	207,915	195,034	87,341
Lewis Vincent Elementary	95,032	105,947	116,342	84,637
Live Oak High	405,018	1,295,020	1,334,837	365,201
Live Oak Middle School	269,064	809,673	786,200	292,537
Live Oak Elementary	143,926	232,463	228,392	147,997
Livingston Parish Literary & Tech Center	10,041	39,588	43,684	5,945
Maurepas High	95,008	235,635	226,305	104,338

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2014

<u>School</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
North Corbin Junior High	160,141	259,567	263,626	156,082
North Corbin Elementary	241,809	143,806	153,862	231,753
North Live Oak Elementary	123,019	334,126	364,872	92,273
Northside Elementary	63,225	103,524	98,329	68,420
Pathways Center	5,482	16,972	17,989	4,465
Pine Ridge School	22,986	32,421	36,082	19,325
Seventh Ward Elementary	44,066	113,485	107,848	49,703
South Fork Elementary	36,352	125,871	117,997	44,226
South Live Oak Elementary	196,693	245,838	255,168	187,363
South Walker Elementary	121,213	230,996	229,177	123,032
Southside Junior High	155,415	172,616	188,310	139,721
Southside Elementary	149,748	107,726	93,164	164,310
Springfield High	129,026	346,401	358,294	117,133
Springfield Middle School	89,974	179,255	147,633	121,596
Springfield Elementary	77,465	136,416	115,023	98,858
Walker High	129,958	1,122,470	1,043,678	208,750
Walker Freshman High	82,053	126,954	138,355	70,652
Walker Elementary School	77,980	130,758	95,728	113,010
Westside Junior High School	105,324	299,293	303,321	101,296
Total	<u>\$ 5,365,078</u>	<u>\$ 12,271,185</u>	<u>\$ 12,102,525</u>	<u>\$ 5,533,738</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, 2014
(With Comparative Totals for the Year Ended June 30, 2013)

	Sales Tax Fund	
	2014	2013
Deposits Due Others at Beginning of Year	\$ 3,142,991	\$ 3,164,102
Additions:		
Sales Tax Collections	79,181,621	75,716,054
Deductions:		
Transfers to:		
General Fund:		
Sales Tax	35,988,860	34,155,896
District No. 33	98,689	96,179
Sales Tax Collection Fee	772,729	741,590
Debt Service - District No. 22	1,630,569	1,533,216
Livingston Parish Sheriff	7,116,094	6,845,055
Livingston Parish Council	14,228,898	13,694,814
Livingston Parish Tourist Commission	290,286	305,600
Livingston Parish Drainage Districts:		
No. 1	1,086,370	1,005,286
No. 2	808,953	773,750
No. 5	1,444,856	1,428,515
City of Denham Springs	7,084,860	6,768,501
Denham Springs Economic Development District	3,892,687	3,583,236
Juban Crossing Economic Development District	49,939	-
City of Walker	3,326,516	3,379,916
Town of Livingston	357,028	358,469
Town of Springfield	366,263	363,627
Village of Albany	319,162	319,888
Refunds to Vendors	64,330	383,627
Total Reductions	<u>78,927,089</u>	<u>75,737,165</u>
Deposits Due Others at End of Year	\$ <u>3,397,523</u>	\$ <u>3,142,991</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Keith Martin	\$ 9,600	\$ 9,600
Malcolm Sibley *	10,800	10,800
Karen Schmitt	9,600	9,600
Jeffrey Cox	9,600	9,600
Milton Hughes	9,600	9,600
Sidney L. Kinchen	9,600	9,600
Albert C. Mincey, Jr.	9,600	9,600
Kellie Dickerson	9,600	9,600
James V. Watson	<u>9,600</u>	<u>9,600</u>
Total	\$ 87,600	\$ 87,600
	<u><u> </u></u>	<u><u> </u></u>

Term of Current Board Expires December 31, 2014.

*Received Board President Supplement since January 1, 2011.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

<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	\$ 749,924
Passed Through Louisiana Department of Education:			
National Breakfast Program [1]	10.553	N/A	1,447,975
National School Lunch Program [1]	10.555	N/A	<u>5,251,791</u>
Total United States Department of Agriculture			7,449,690
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	129,855
Federal Leadership	84.002a	N/A	10,642
Educationally Deprived Children - Local Educational Agencies: IASA Title I [2]	84.010	05-IASA-32-1	4,577,229
Handicapped State Grants:			
Special Education IDEA [3]	84.027	05-FT-32	4,458,340
High Risk Pool – Jump Start [3]	84.027A	N/A	4,660
Vocational Education - Basic Grants to States	84.048	N/A	270,009

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

<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]	84.173	05-PI-32-S	75,226
Personnel Development	84.323A	N/A	7,866
Title II - Improving Teacher Quality - State Grants	84.367	N/A	498,122
Title III-Immigrant Set Aside	84.365A	N/A	1,915
Other NCLB Programs	84.365A	N/A	55,596
Louisiana Striving Readers Literacy Program	84.371C	N/A	1,455
Race to the Top	84.413A	N/A	56,190
Heap	84.938A	N/A	<u>47,103</u>
Total Passed Through Louisiana Department of Education			10,194,208
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
T.A.N.F. - Strategies to Empower People [4]	93.558	N/A	2,090
LA 4 [4]	93.558	N/A	<u>958,243</u>
Total United States Department of Health and Human Services			<u>960,333</u>
Total Expenditures of Federal Awards			<u>\$18,604,231</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, 2014

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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, 2014, the Livingston Parish School Board had food commodities totaling \$45,556 in inventory.

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

Independent Auditor's Report

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, 2014, 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 12, 2014.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that we reported to management of the School Board in a separate letter dated December 12, 2014

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,

Hannu W. Bougeois, LLP

Denham Springs, Louisiana
December 12, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

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 Circular A-133 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, 2014. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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, 2014.

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 OMB Circular A-133, 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 OMB Circular A-133. 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,

Hannu J. Bourgeois, LLP

Denham Springs, Louisiana
December 12, 2014

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

A. As required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the following is a summary of the results of our audit:

- Type of report issued on financial statements - unmodified.
- Type of report issued on compliance for major programs - unmodified.
- The results of audit procedures disclosed no material noncompliance in major programs.
- The results of audit procedures disclosed no questioned costs.
- Our audit disclosed no findings which are required to be reported under Section 510(a).
- The following programs were tested as Type "A" major programs:

Federal Grantor/ Pass - Through Grantor/ <u>Program Name</u>	CFDA <u>Number</u>
<u>United States Department of Education</u>	
Passed Through Louisiana Department of Education	
Handicapped State Grants- Special Education IDEA ¹	84.027
High Risk Pool – Jump Start ¹	84.027A
Handicapped - Preschool Grants - Preschool Flow-thru ¹	84.173
T.A.N.F. - Strategies to Empower People ²	93.558
LA 4 ²	93.558

- The threshold for distinguishing Types A and B programs was \$558,127.
- The School Board was determined to be a low-risk auditee.

¹ Special Education Cluster (IDEA)

² TANF Cluster

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

B. Findings - Internal Control Over Financial Reporting

None

C. Findings - Compliance and Other Matters

None

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2014

A. Findings - Internal Control Over Financial Reporting

None

B. Findings - Compliance and Other Matters

None

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December 12, 2014

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

In planning and performing our audit of the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana, for the year ended June 30, 2014, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding the matters. This letter does not affect our report dated December 12, 2014, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

CURRENT YEAR FINDINGS:

See the following prior year findings below that have not been resolved during the current year:

- Creation of an Irrevocable Trust Fund
- Internal Auditor
- Independent Information Technology Review

PRIOR YEAR FINDINGS:

Creation of Irrevocable Trust Fund

Finding:

The Livingston Parish School Board implemented the requirements of Government Accounting Standards Board GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions" for fiscal year ending June 30, 2008. This Statement's objective is to establish uniform standards of financial reporting by state and local government entities for other postemployment benefits (OPEB) including post-employment healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information.

In addition, GASB 45 suggests, but does not require, the creation of an irrevocable trust fund to accumulate funds for the payment of these accumulated OPEB liabilities. As of June 30, 2013 and 2014, the School Board OPEB liability has accumulated to \$30,773,780 and \$39,972,221, respectively, and is expected to increase approximately \$9 million each year. The School Board has not taken steps to create this irrevocable trust fund as of June 30, 2014. The purpose of the irrevocable trust fund is to pay the OPEB liability into the trust fund which should create an investment return and reduce the OPEB accumulated liability.

Recommendation:

In prior years, we recommended for the School Board to begin the process of evaluating the creation of an irrevocable trust fund in accordance with GASB 45. The School Board has evaluated our prior year recommendation to create an irrevocable trust fund in accordance with GASB 45 to begin accumulating the assets necessary to fund the OPEB liability. The School Board has decided not to create the irrevocable trust fund at this time. We again recommend for the School Board to evaluate the creation of an irrevocable trust fund in accordance with GASB 45.

Management Response:

Management concurs with this finding and will evaluate creating an irrevocable trust fund. As of June 30, 2014, management has assigned \$2,593,653 of the School Board's fund balance for other post employment benefits but has decided not to create the irrevocable trust fund at this time.

Internal Auditor

Finding:

In our previous audits and again in the current year audit, we noted the Livingston Parish School Board does not have an internal auditor that reports directly to the Board. The objectives of an internal auditor is to review and evaluate policies and procedures, recording of accounting transactions, and determining compliance with grant requirements. These procedures are more detailed in scope than those of an external audit. At June 30, 2014, the School Board is an operation with assets in excess of \$276 million and annual operating budgets in excess of \$237 million. With operations of this size, it is possible that some policies and procedures can be inadvertently and intentionally omitted and/or completed incorrectly and not be detected or noticed.

Recommendation:

We recommended for the School Board to hire an internal auditor whose responsibilities would be to test the Board's policies, procedures, income and expenses on a regular basis throughout the year and report any findings directly to the Board.

Additional Recommendation:

In the prior year, the Board met and discussed hiring an internal auditor. However, the decision was made to defer the hiring of an internal auditor at the current time. We again recommend for the School Board to hire an internal auditor whose responsibilities would be to test the Board's policies, procedures, income and expenses on a regular basis throughout the year and report any findings directly to the Board. We believe an internal auditor can identify weaknesses in internal control within the

School Board's operations and make recommendations for corrective action so the School Board can immediately correct the deficiencies instead of these matters being identified and reported by external auditors. The internal auditor can also assist with making sure the school administration is handling the school activity funds in accordance with established procedures.

Management Response:

Management concurred with the recommendation but can't currently justify the cost benefit differences.

Independent Information Technology Review

Finding:

During the prior year audits and again in the current year audit, it was noted that an independent Information Technology (I.T.) review has not been conducted for the last several years.

Recommendation:

We again recommend for management to hire an independent I.T. consultant to perform a review of the School Board's computer systems. This is necessary due to the increasing size and complexity of the I.T. computer system of the School Board.

Management Response:

Management concurred with the recommendation and still plans to hire an independent information technology consultant to review the School Board's computer system but currently is unable to justify the cost benefit differences.

This report is intended for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish School Board, Livingston, Louisiana, is a matter of public record.

Respectfully submitted,

Harris J. Bourgeois, M.P.