

LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2018

LIVINGSTON, LOUISIANA

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report	-	-	1 - 3
Required Supplemental Information			
Management's Discussion and Analysis	-	-	4 -22
Basic Financial Statements			
Government-Wide Financial Statements:			
Statement of Net Position (Deficit)	-	A	23
Statement of Activities	-	B	24
Fund Financial Statements:			
Balance Sheet - Governmental Funds	-	C	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Deficit)	-	D	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	-	E	27 - 28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	-	F	29
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	-	G	30 - 31
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Disaster Special Revenue Fund	-	H	32
Statement of Fiduciary Net Position	-	I	33
Notes to Financial Statements	-	-	34 - 87

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Required Supplementary Information:			
Schedule of Proportionate Share of Net Pension Liability by Plan	1	-	88
Schedule of Contributions by Plan	2	-	89
Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios	3	-	90
Notes to Required Supplementary Information	-	-	91
Schedules Required by State Law (R.S. 24:514 Performance and Statistical Data):			
Independent Accountant's Report on Applying Agreed-Upon Procedures Report	-	-	92 - 93
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	4	-	94 - 95
Class Size Characteristics	5	-	96
Other Supplementary Information:			
Major Capital Projects Fund - By District:			
Combining Balance Sheet - By District	6	-	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	7	-	98
Nonmajor Governmental Funds:			
Combining Balance Sheet	8	-	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	9	-	100 - 101

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Nonmajor Special Revenue Funds:			
Elementary and Secondary Education Act - Title I	10-1	-	102
Public Law 94-142 - Special Education	10-2	-	103
Maintenance of Schools	10-3	-	104
School Lunch	10-4	-	105
Special Federal Fund	10-5	-	106
Other Federal ESEA Fund	10-6	-	107
Debt Service Fund:			
Combining Balance Sheet - By District	11	-	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	12	-	109
Fiduciary Funds:			
Combining Statement of Fiduciary Net Position	13	-	110
Schedules of Changes in Deposits Due Others:			
School Activity Fund	14-1	-	111 - 112
Sales Tax Fund	14-2	-	113

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
General:			
Schedule of Compensation Paid Board Members	15	-	114
Schedule of Compensation, Benefits, and Other Payments Paid to Superintendent	16	-	115
Schedule of Expenditures of Federal Awards and Notes	17	-	116 - 118
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	-		119 - 120
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	-		121 - 123
Schedule of Findings and Questioned Costs	-		124 - 127
Summary Schedule of Prior Audit Findings	-		128 – 130
Management's Response to Findings	-		131

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

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 budgetary comparison statement of the Disaster Special Revenue 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, 2018, 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 budgetary comparison statement of the Disaster Special Revenue Fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of June 30, 2018, 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.

Change in Accounting Principle

As described in Note 21 to the financial statements, in 2018, the Livingston Parish School Board adopted new accounting guidance, GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability by plan, the schedule of contributions by plan, and the Schedule of Changes in the School Board's Total OPEB Liability and Related Ratios on pages 4 through 22 and 88 through 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the Livingston Parish School Board's basic financial statements. The schedules listed in the table of contents as Schedules 3 through 16 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, identified in the Table of Contents as Schedule 17, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Schedules 4 through Schedule 16 and the schedule of expenditures of federal awards, Schedule 17, 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.

Schedule 4 and Schedule 5 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 26, 2018, 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,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 26, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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, 2018. The intent of the MD&A is to look in layman's terms at the School System's financial performance as a whole. Therefore, it should 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 2017-2018 fiscal year include the following:

- ❖ Net assets decreased by \$157,297,408 for the year ended June 30, 2018. There was a decrease in net position of \$192,069,847 related to a restatement of net position at June 30, 2017 due to the adoption of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. See note 21 to the financial statements. There was a net increase of net position of \$34,772,439 related to current year activity. As discussed below, the current year increase in net assets was the result of an increase in total assets of \$21,696,805 coupled with a decrease in total deferred outflows of resources of \$25,593,380, a decrease in total liabilities of \$61,833,724, and an increase of total deferred inflows of resources of \$23,164,710.
- ❖ Total assets increased by \$21,696,805 attributed to the following elements:

	June 30, 2018	June 30, 2017	Amount Increase (Decrease)	Percent of Increase (Decrease)
Cash and Cash Equivalents	\$ 97,826,269	\$ 110,472,065	\$ (12,645,796)	(11.45)%
Receivables	30,884,466	12,925,737	17,958,729	138.94%
Inventory	2,514,913	1,804,672	710,241	39.36%
Capital Assets, Net of				
Accumulated Depreciation	239,501,389	223,827,758	15,673,631	7.00%
Total Assets	<u>\$ 370,727,037</u>	<u>\$ 349,030,232</u>	<u>\$ 21,696,805</u>	6.22%

Cash decreased due to a decrease in costs of flood repairs compared to the previous year. The inventory increase reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction within the Districts. Total capital

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

outlay recorded in all funds in the current year amounted to \$26.5 million. At June 30, 2018, major incomplete construction projects in the Districts totaled \$25,709,531.

During the current fiscal year, the School System purchased 69 buses/vehicles totaling over of \$2,650,000 and purchased other large equipment totaling over \$510,000.

❖ Total Liabilities decreased \$61,833,724 due to the following items:

	<u>June 30, 2018</u>	<u>June 30, 2017, as Restated</u>	<u>Amount Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Accounts, Salaries, and				
Other Payables	\$ 25,919,807	\$ 26,556,190	\$ (636,383)	(2.40)%
Interest Payable	825,471	825,856	(385)	(0.05)%
Long-Term Liabilities	<u>661,078,491</u>	<u>722,275,447</u>	<u>(61,196,956)</u>	<u>(8.47)%</u>
Total Liabilities	<u>\$ 687,823,769</u>	<u>\$ 749,657,493</u>	<u>\$ (61,833,724)</u>	<u>(8.25)%</u>

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

❖ General revenues decreased by \$3,857,052 from fiscal year 2017 to fiscal year 2018. Primary increases and decreases are discussed below.

- Property tax revenue levied increased \$1,137,926 (6.75%)
- Sales and use tax revenue decreased \$7,865,725 (13.88%)
- State revenue sharing increased \$15,581 (1.61%)
- The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$163,746,482. This is an increase of \$5,114,873 (3.22%) from the prior year. Since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of general fund expenditures must be spent on instructional activities), and (50% of all new MFP money received must go to increase teacher salaries). However, the State has not fully funded the 2.75% growth factor that is added into the MFP formula since the 2008/09 fiscal year resulting in a loss of state revenue for each year.
- Other state revenue and grants decreased \$1,923 (40.19%)
- Earnings on investments increased \$976,370 (127.66%)
- Miscellaneous revenues decreased \$155,054 (250.63%)

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

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

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 23, 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 2017/2018 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 25. 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 14-1 for school-by-school information on the School Activity Fund and Schedule 14-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2018.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 24, the cost of the School Board's *governmental* activities for the year ended June 30, 2018 was \$254,289,198. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$3,147,447 was paid by those who used or benefited from services rendered (e.g., charges for school lunches and summer school tuition) and \$52,844,622 was paid through various federal and state grants. The net cost of \$198,297,129, a 19.06% decrease over the prior year, was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2018. 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, 2018 and 2017

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:				
Regular Programs	\$ 98,564,379	\$ 96,185,107	\$ 113,017,257	\$ 110,173,435
Special Programs	30,932,111	27,519,823	33,358,445	31,413,697
Vocational Programs	3,406,908	3,052,905	3,583,463	3,277,537
Adult Continuing Ed Programs	229,722	58,994	241,647	20,367
All Other Programs	11,817,614	3,866,365	10,590,528	4,736,126
Support Services:				
Student Services	14,692,552	12,516,080	15,725,485	13,627,624
Instructional Staff Support	8,803,512	5,595,431	9,162,735	6,402,022
General Administration	9,407,700	8,175,040	9,098,351	7,623,025
School Administration	13,985,499	13,903,448	15,070,067	14,832,907
Business Services	2,269,579	1,214,588	2,487,137	1,734,990
Plant Services	25,652,159	7,281,614	53,119,744	27,922,662
Student Transportation Services	13,601,767	13,389,128	15,662,721	15,500,880
Central Services	2,360,839	2,360,839	2,519,581	2,518,972
Food Services	14,518,807	(765,688)	14,236,044	2,071,852
Community Service Programs	119,431	16,836	189,052	15,570
Small Equipment Below Capitalizat	-	-	-	-
Policy - Not Reported By Functio	-	-	-	-
Interest on Long-Term Debt	3,926,619	3,926,619	3,115,430	3,115,430
Totals	\$ 254,289,198	\$ 198,297,129	\$ 301,177,687	\$ 244,987,096

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

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, 2018, its combined fund balance was \$87,288,785, as compared to its combined fund balance of \$95,704,877 as of June 30, 2017, a decrease of \$8,416,092. The General Fund, the main operational arm of the School Board, saw its total fund balance increase by \$4,952,415. While General Fund Revenues decreased by \$919,995, General Fund Expenditures decreased by \$765,677 and Other Financing Sources (Uses) (Transfers to Other Funds) increased by \$13,945,234 thereby decreasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$19,051,967 to \$4,952,415 a total decrease of \$14,099,552.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on August 17, 2017, and the Final Budget was adopted June 21, 2018. The General Fund budget amendments increased total anticipated revenues by 1.30% and decreased projected expenditures by 0.48%.

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 worse case scenarios in mind. The General Fund finished the fiscal year about \$15,522,144 more than had been budgeted.

The fiscal year 2019 General Fund budget, adopted on August 16, 2018, showed anticipated revenues of \$225,263,197 and projected expenditures of \$237,178,776 resulting in a projected decrease of \$11,915,579 for the year. Transfers out include \$12,942,574 to the Capital Projects Fund, \$1,935,000 to the Maintenance Fund, and \$4,152,390 to the Sinking Fund (Debt Service).

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2018, the School Board had \$239,501,389 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, 2018 and 2017.

TABLE II
Net Capital Assets
at June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Land	\$ 16,200,203	\$ 15,535,453
Construction in Progress	25,709,531	20,553,816
Buildings and Improvement	183,826,482	175,086,809
Furniture and Equipment	3,417,639	3,512,747
Library Books and Textbooks	2,847,946	3,177,027
Vehicles	<u>7,499,588</u>	<u>5,961,906</u>
Total	<u>\$ 239,501,389</u>	<u>\$ 223,827,758</u>

During the current fiscal year, \$27,367,322 of assets were capitalized as additions while \$3,112,699 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2018 amounted to a net of \$6,647,932 on buildings and improvements and \$3,448,572 on movables such as furniture, vehicles, and equipment.

During the fiscal year ended June 30, 2018, the school system had \$17,476,657 in completed capital projects and incomplete construction totaled \$25,709,531.

All funding is coming from the individual districts, except for the Walker District No. 4 in which \$25,000,000 in general obligation bonds were sold in 2014, to fund the majority of the district's projects. In June 2018, \$38 million in revenue bonds were sold for the purpose of restoring flood damaged school facilities and contents.

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

DEBT

At June 30, 2018, the School System had outstanding long-term indebtedness of \$111,345,856 as compared to \$119,488,172 at June 30, 2017. This included General Obligation Bonds, Qualified School Construction Bonds, Revenue Bonds and capital leases for the purchase of new buses.

The School System's bonds were last rated October 11, 2011, at which time they were given a rating of AA+ by Moody's Investors Service. Based on the 2018 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 \$363,000,000 at June 30, 2018.

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

Livingston Parish's ideal location near Baton Rouge and New Orleans makes it a smart choice for access to both metropolitan areas. The parish is minutes from Baton Rouge, less than an hour from New Orleans and is within just a couple of hours drive of the major industrial area of the coast of the Gulf of Mexico. Livingston Parish is just 15 miles from deep water at the Port of Greater Baton Rouge which provides direct connections to the Ports of New Orleans and Mobile. Interstate 12, which runs east/west throughout the entire parish, provides highway access to Interstates 10, 55 and 59 within a 60-mile radius. The Interstate 12 corridor has been a "national hot spot" for business development and will continue to be a driver of Louisiana's economy. The Canadian National Railway operates within the parish, including the Livingston Industrial Park, and runs through the southeastern major distribution markets south into Mexico and north across Canada. The Baton Rouge Metropolitan Airport is only 15 miles away, and New Orleans' Louis Armstrong International Airport in New Orleans is 80 miles away; both provide passenger and freight services. The parish also has two electric utility providers and several natural gas distributors and pipelines.

EDUCATION

The Livingston Parish School System is the eighth largest school system in the state of Louisiana with its present enrollment at approximately 25,860. It has forty-four schools (pre-K through high school) and one alternative school. October 1, 2018 numbers reflect an increase of approximately 375 students from last October. It is the largest employer in the parish with 3,700 employees and an annual budget of \$295 million.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

The latest Cohort Graduation Rates released by the Louisiana Department of Education confirm that Livingston Parish students continue to be among the highest performing students in the state. The district ranks second in the state for students graduating with more than a standard diploma (73.7% of students) and ranks tenth in the state for students graduating with advanced credentials (21/4% of students). The Graduation Rate for the class of 2018 was 86.6% as compared to 78.1% for the State of Louisiana. This is a 3.4% increase from the previous year.

In addition, Livingston Parish students continue to be among the state's top performers in Advanced Placement (AP) exams. According to the Louisiana Department of Education's report, 531 students in the 2017-2018 school year earned an AP exam score that resulted in college credit. AP courses in high school offer students the opportunity to earn college credit in the same subject. This is an increase of 125 students from the previous year.

In 2018, Lewis Vincent Elementary School became only the second Livingston Parish elementary to be named a National Blue Ribbon School based on the school's overall academic performance. Despite a crippling flood that damaged its school campus and affected the homes of 85 percent of its families and 48 percent of its teachers and support staff in August 2015, Lewis Vincent is in the top 15 percent statewide for closing the gap between the academic performance of the general student population and economically disadvantaged students, students with disabilities and English as a Second Language (ESL) students. It was one of 6 Louisiana schools, and 349 in the country, to win the award.

Our latest award was received by Eastside Elementary School who was named a National ESEA Distinguished School, because of the student's recent academic progress, one on nearly 100 schools nationwide to receive the honor. The Elementary and Secondary Education Act (ESEA) provides additional resources for at-risk students to improve the quality of public education. Eastside was chosen for closing the achievement gap between student groups. Scores for Economically Disadvantaged, English Language Learners, and Students with Disabilities all showed gains from 2017 to 2018.

Three Livingston Parish high schools are ranked in the top 50 in Louisiana in the U.S. News & World Report's 2017 Best High Schools rankings. Holden High was ranked 13th in Louisiana and awarded a silver medal. Maurepas High was ranked 29th and Springfield High was ranked 40th. Both received bronze medals. These medals are given based on their performance on state assessments, Advanced Placement tests and graduation rates. The designation is based on a key principle that high schools must serve all students well, not just those bound for college.

Livingston's top tier public K-12 schools and close proximity to major universities, community colleges, and technical colleges make it a prime training ground for a competitive workforce. The school system is one of the best in Louisiana, consistently ranked in the top ten systems for students' academic performance. Our college students enjoy an easy commute to Louisiana State University, Southern University and Baton Rouge Community College in Baton Rouge, Southeastern Louisiana University in Hammond, River Parishes Community College in Gonzales, and Northshore Technical Community College with campuses in Hammond and Greensburg.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

In September 2018, officials broke ground on the new community college and workforce training center that will offer a wide range of programs, including general education, allied health, welding and technology. Designs call for a 20,000 square foot campus at a cost of about \$5.8 million. In November 2014, the School Board donated 12.3 acres of undeveloped land near the Livingston Parish Literacy and Technology Center in Walker to the State for the facility. Officials hope to enroll 500 to 700 students at the facility, but the local campus could potentially accommodate 2,000 students. Currently 500 of the parish's 8,500 high school students are dually enrolled at Northshore Technical and Community College, taking classes at their schools with teachers who are certified as adjunct instructors. Northshore is expected to open the Walker location by the 2019-2020 school year.

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.

The Louisiana Department of Education announced at the special ceremony in July 2016 that Livingston Parish teacher Joni Smith was the overall 2017 Teacher of the Year. Smith, who is a 7th grade science teacher at Albany Middle School, was selected as the state's top teacher from among 24 elementary, middle and high school teachers from across the state who advanced to the state department's final-round of competition for the award. She was recognized at the White House during an Oval Office ceremony with U.S. President, Donald Trump, and was named the 2018 Louisianan of the Year. She was recently named Southeastern Louisiana University's 2018 Young Alumnus of the Year.

WHY LIVINGSTON PARISH?

Livingston Parish is primarily described as a rural parish with a population of 145,136 based on the July 1, 2018 estimate from Louisiana.HometownLocator.com. Sales of new homes were down 5.7% when comparing the first eight months of 2018 to the first eight months of 2017, going from 1,453 to 1,369, and pending sales were down 1.2%. New listings for the same period were up 0.2%. Housing here is affordable with median sales price of \$173,000. Residential developments continue to expand, with upscale homes available as well. In August 2017, construction began on The Palms at Juban Lakes and officially opened in June 2018. The Palms is a \$24.5 million luxury apartment complex located one mile from the Juban interchange near Interstate 12. The parish anticipates this growth trend 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 in June 2018 is approximately \$787,250,422. This is \$8.8 million higher than the post August 2016 flood assessed value. The taxable value is \$541,575,815, which is a 5.37% increase over the prior year. Increased population and development of rural lands, in addition to re-assessments of existing properties every four years, continue to elevate property values.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

Livingston Parish has earned a growing reputation as a great place to live. In addition, the parish is considered a hot location for business. Prior to the August 2016 flood Livingston Parish was in the midst of a commercial boom. Today is no exception. About 80 percent of commercial real estate in the parish flooded, of which about 70 to 80 percent has been restored. Many of the businesses that did not reopen have been bought out and new businesses have taken their place. New commercial developments continue to be built. The once rural community offers almost everything businesses want when they are looking to invest. It has great schools, a growing population, abundant family housing, high quality of life, unbeatable location, untapped opportunity, well-planned infrastructure and business-friendly leadership. Livingston Parish consists of two cities (Denham Springs and Walker), three towns (Livingston, Albany and Springfield), three villages (Killian, French Settlement and Port Vincent), one major unincorporated area (Watson), and other rural unincorporated developments.

❖ *CITY of DENHAM SPRINGS – population 10,479*

The parish's largest city, Denham Springs, includes a historic downtown antique district with 30 antique shops in addition to numerous restaurants, hotels and other retail stores. In November 2018, the Denham Springs Antique Village was placed on the National Register of Historic Places. Denham Springs was named Readers' Choice Award for "Best Louisiana Main Street" and ranked by AAA's Southern Travel as one of the three best antique shopping destinations in the country.

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

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

Sam's Club is located on 17 acres next to the Bass Pro Shops development and opened its 136,000 square foot facility in June 2012. The store has 175 employees and estimates gross sales of approximately \$40 million annually. Nearby, restaurants and other shops are installing themselves in the Amite Crossing strip mall.

Riverside Landing is one of only a very few sites in the United States with a unique anchor mix of national destination retail giants such as Bass Pro Outdoor World and Sam's Club. Cavender's, one of the largest western clothing stores in the United States, opened its 18,000 square foot store in the development in November 2013. More than 530,000 square feet of development is planned for Riverside Landing, and

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

when completed, the complex will include over 1 million square feet of retail shops, restaurants and hotel space for shoppers to frequent.

Juban Crossing is a \$350 million multi-use development at the intersection of Interstate 12 and Juban Road. The 471-acre development is being built in three phases over a span of 5 to 7 years. Retail stores began opening in October 2014. The project leaders estimate the development will create about 3,500 jobs and generate about \$6 million annually in ad valorem taxes alone and about \$22 million in tax collections over 25 years. Spanning over 1.2 million square feet of easily accessible space in one of south Louisiana's most desirable growth areas, Juban Crossing provides the ideal destination for anyone and every taste.

Stores open in Juban Crossing include Academy Sports & Outdoors, AT&T, Bath & Body Works, Bed Bath & Beyond, Belk, Burgersmith, Café Americain, Carter's Clothing, Cato, Chicken Salad Chick, Dressbarn, European Wax Center, Forever 21, GNC, Great American Cookie Company, Kay Jewelers, Kirkland's, LA Nail Spa, Lane Bryant, Marble Slab Creamery, Mattress Firm, Maurices, Men's Wearhouse, Michaels, Moe's Southwest Grill, Movie Tavern, Old Navy, OshKosh, Pacific Dental Services, PetSmart, Pot & Paddle Jambalaya Kitchen, Ross Dress for Less, Rouses Market, Shoe Carnival, T.J. Maxx, Ulta Beauty, Verizon, and Walk-On's Bistreaux & Bar. In February 2018, Zea Rotisserie & Bar broke ground and anticipates opening in late 2018. Other businesses slated for Juban Crossing are Piccadilly, Five Guys Burgers & Fries, and Stroubes Grille. There is talk that other big-name business establishments may be added to the Juban Crossing development.

Also located in Denham Springs are Superior Steel and CAP Technologies. Superior Steel employs 85 employees supplying structural steel to commercial and industrial customers across the country. In 2012, the company purchased nearly 20 acres, where they renovated buildings, invested more than \$1 million in new equipment and expanded the fabrication plant to 90,000 square feet. Superior Steel was presented the 2018 NuHeights Design Award Building of the Year honor. The company provided the steel and erection work on The Water Institute of the Gulf in Baton Rouge. In June 2011, CAP Technologies fully renovated and constructed its current 50,000 square foot facility in Denham Springs and began production in February of 2013. The company offers a patented, environmentally friendly, unique single process for the surface texturing, cleaning, and/or coating of metals. Electro Plasma Technology (EPT) process allows CAP Technologies to process materials of different sizes and shapes, while retaining the properties of the base metal.

❖ *CITY of WALKER – population 6,935*

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

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

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

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

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

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

The Martin-Brower Company's \$16 million distribution facility in Walker sits on a 22-acre site within the Livingston Parish Industrial Park. The facility is a food distribution plant for an international company that supplies McDonald's and other fast food restaurants around the world. In moving from its previous facilities in Port Allen, Louisiana, the company brought 160 existing jobs and created 30 new direct jobs and 26 new indirect jobs that will provide an additional \$1.3 million in new annual payroll by 2020.

Just west of the Livingston Parish Industrial Park on U.S Highway 190, you will find the Walker Industrial Park. The park offers great access to Interstate 12, concrete streets and all public utilities including sewer. In early 2014, Gilchrist Construction Company began operation of their \$2 million asphalt plant location on 12 acres. Walker Metal Express built and opened a new manufacturing facility in October 2011 and

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

produces residential and commercial metal roofing and steel building products. The park is also home to Comfort Control Heating & Air, a licensed and insured air conditioning and heating contractor, and Walker-Hill Environmental, Inc. which provides a wide range of remediation services for sites affected with contaminated soil and/or groundwater. Petro-Chem Services provides tank barge loading and unloading, fresh air and bottle watch for all cargos where needed, and in plant and facility operations.

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

❖ *TOWN of LIVINGSTON, population 1,855*

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

Probably the biggest economic impact to hit the parish was the announcement in March 2015 that Livingston Parish will be home to EPIC Piping. EPIC invested \$45.3 million to establish an advanced pipe fabrication facility and corporate headquarters. The state-of-the-art facility is located on LA Highway 63, just south of the Interstate 12 interchange at Livingston. The 500,000 square foot facility sits on 70 acres. The company opened in November 2016 and the project created more than 600 new jobs to the parish. The impact on the job market will be substantial.

Construction was completed in January 2017 on a new PepsiCo warehouse distribution center south of the town of Livingston and is created more than 200 jobs to Livingston Parish. The 140,000 square foot facility is located just off LA Highway 63, immediately north of EPIC Piping's plant and headquarters. The business provides daily distribution of bottled products to area stores.

Perhaps the most unique asset in Livingston Parish is the Laser Interferometer Gravitational Wave Observatory (LIGO) federal research project, one of only two sites in the world which is located near the Town of Livingston. While scientists study gravitational waves, education directors conduct free tours of the facility and the Science Education Center has over forty hands-on interactive science exhibits that relate to the science of LIGO. Tours include a 20-minute video called Einstein's Messengers and there is plenty of time to explore the exhibits that will fascinate and challenge visitors. In September 2015, Livingston LIGO and a sister site in Hanford, Washington recorded gravitational waves from the collision of two black holes more than a billion light years away. The signal confirmed a key prediction of Albert Einstein's 1916 general theory of relativity and kick-started a new era of astronomy. LIGO was awarded the 2017 Nobel Prize in Physics for the world's first direct detection of gravitational waves. In June 2018,

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

both LIGO labs were designated Historic Physics Sites by the American Physical Society. For more information about tours and programs, see the LIGO website at www.ligo.caltech.edu/LA.

❖ *TOWN of ALBANY – population 1,202*

The Town of Albany is located near the eastern border of Livingston Parish, about eight miles west of Hammond. The Hungarian Settlement located just south of the Interstate 12 Albany/Springfield exit is the largest settlement of people of Hungarian descent in the United States. Each October the rural ethnic settlement draws hundreds of guests to its Hungarian Festival which was instituted to preserve Hungarian food, music, dance and culture. Restoration of the old Hungarian school to convert the school into a new Hungarian Museum has been completed. The museum is a site for preservation of artifacts, documents, photographs, immigration papers, newspapers, AV materials and oral histories of Hungarian settlers. It also provides a site for research, cultural events, Hungarian language classes, exhibit and educational programs for children and adults. More information can be found at www.hungarianmuseum.com.

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

❖ *TOWN of SPRINGFIELD – population 537*

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

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

Near the town of Springfield, with easy access from Interstates 12 and 55, you will find the Tickfaw State Park. It is a 1,200-acre park located along three miles of the Tickfaw River. This State Park has it all: camping, fishing, hiking, bird watching, biking, canoeing and much more. It is a stop along the Gulf Coast Birding Trail and is an excellent site for birders of all persuasions.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

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

❖ *VILLAGE of KILLIAN – population 1,409*

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

❖ *VILLAGE of FRENCH SETTLEMENT – population 1,227*

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

❖ *VILLAGE of PORT VINCENT – population 749*

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

❖ *WATSON (unincorporated) – population 1,092*

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

Watson has seen a steady growth in local businesses in the past few years and continues to grow as the population does. The area is home to numerous shops, restaurants and businesses such as the Wal-Mart store which opened in April 2012 and created around 300 new jobs. The influx of new retail development continues in Watson.

❖ *SATSUMA (unincorporated)*

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

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

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

The Livingston Parish Airport District announced in November 2017 that it has acquired more than 242 acres near the Satsuma Exit at Interstate 12 to locate a new general aviation airport, Livingston Executive Airport. Plans for the new airport include a 5,000-foot lighted runway, a flight service station, airplane hangars and a fuel station. It promises to be a valuable economic development resource for the parish.

❖ *HOLDEN (unincorporated)*

Ferrara Fire Apparatus, located just east of Baton Rouge in Holden, leads the industry in the custom design and manufacture of emergency response vehicles. Ferrara is America's premier provider of heavy-duty fire apparatus and construction materials. Their design process gives the customer input into how the truck will be built. The company is the fourth largest manufacturer of fire trucks in the United States. They did \$165 million in sales in 2016 and the company is forecasting continued increases in sales each year because of pent-up demand and expectations for more infrastructure spending. Ferrara has delivered more than 5,000 new fire apparatus to agencies in this country and around the world.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

LIVINGSTON PARISH ECONOMIC DEVELOPMENT

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

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

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

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

TOURISM

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

FLOOD OF AUGUST 2016 – Two years later

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

Currently, three schools are still located on temporary campuses. Southside Elementary and Junior High students have relocated to temporary campuses next to Juban Parc Elementary and Junior High. Denham Springs Elementary is on a temporary site on land loaned to us by a local church. Construction to rebuild the three campuses is scheduled to begin in mid-2019. All other schools are open and final permanent repairs on several sites were completed during the summer of 2018.

Economically, things have turned around. The majority of the retail establishments that flooded have reopened. Business owners are determined to bring their business back to life and help make their communities be better than ever. New businesses continue to open each year.

Livingston Parish has been one of the fastest growing parishes in Louisiana. We have suffered a huge misfortune, but we are on the road to recovery and we will be great again. One thing that has not changed is the fact that Livingston Parish is the place to be! We are the place to be for small and large business alike, retail and industrial sectors, for great schools, excellent quality of life and wonderful people. In the end, some things never change.

LINKS TO ADDITIONAL INFORMATION

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

- Livingston Parish Public Schools – www.lpsb.org
- Livingston Economic Development Council – www.ledc.net
- Livingston Advantage – www.livingstonadvantages.com
- Livingston Parish Government – www.livingstonparishla.gov
- Livingston Parish Sheriff's Office – www.lpsso.org
- Livingston Parish Assessor – www.livingstonassessor.com
- Livingston Parish Clerk of Courts – www.livclerk.org
- Livingston Parish Convention & Visitors Bureau – www.livingstontourism.com
- Livingston Parish Chamber of Commerce – www.livingstonparishchamber.org

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2018

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD
STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2018

ASSETS

	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 40,676,269
Investments	57,150,000
Receivables	30,884,466
Inventory	2,514,913
Capital Assets:	
Land and Construction in Progress	41,909,735
Other Capital Assets (Net of Accumulated Depreciation)	<u>197,591,654</u>
Total Assets	<u>370,727,037</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Refunding	1,254,808
Deferred Outflows - Related to Pensions	<u>40,968,885</u>
Total Deferred Outflows of Resources	<u>42,223,693</u>

LIABILITIES

Accounts, Salaries, and Other Payables	25,919,807
Interest Payable	825,471
Long-Term Liabilities:	
Due Within One Year	12,133,567
Due in More than One Year	364,210,215
Net Pension Liability	<u>284,734,709</u>
Total Liabilities	687,823,769

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Related to Postemployment Benefits Other Than Pensions	14,328,323
Deferred Inflows - Related to Pensions	<u>21,812,227</u>
	36,140,550

NET POSITION (DEFICIT)

Net Investment in Capital Assets	159,627,669
Restricted for:	
Debt Service Fund	5,922,460
Maintenance of Schools	2,554,348
General Fund	32,505,724
Unrestricted (Deficit)	<u>(511,623,790)</u>
Total Net Position (Deficit)	<u>\$ (311,013,589)</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, 2018

FUNCTIONS/PROGRAMS	Program Revenues			Total Governmental Activities - Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction:					
Regular Programs	\$ 98,564,379	\$ 409,188	\$ 1,970,084	\$ -	\$ (96,185,107)
Special Programs	30,932,111	3,156	3,392,432	16,700	(27,519,823)
Vocational Programs	3,406,908	-	323,246	30,757	(3,052,905)
Adult Continuing Education Programs	229,722	-	170,728	-	(58,994)
All Other Programs	11,817,614	339,697	7,611,552	-	(3,866,365)
Support Services:					
Student Services	14,692,552	-	2,176,472	-	(12,516,080)
Instructional Staff Support	8,803,512	-	3,208,081	-	(5,595,431)
General Administration	9,407,700	1,232,660	-	-	(8,175,040)
School Administration	13,985,499	82,051	-	-	(13,903,448)
Business Services	2,269,579	273,024	781,967	-	(1,214,588)
Plant Services	25,652,159	92,129	18,278,416	-	(7,281,614)
Student Transportation Services	13,601,767	180,541	32,098	-	(13,389,128)
Central Services	2,360,839	-	-	-	(2,360,839)
Food Services	14,518,807	535,001	14,656,494	93,000	765,688
Community Service Programs	119,431	-	102,595	-	(16,836)
Interest on Long-Term Debt	3,926,619	-	-	-	(3,926,619)
Total Governmental Activities	\$ 254,289,198	\$ 3,147,447	\$ 52,704,165	\$ 140,457	(198,297,129)
Taxes:					
Property Taxes, Levied for General Purposes					11,371,472
Property Taxes, Levied for Debt Services					6,626,068
Sales and Use Taxes, Levied for General Purposes					46,729,335
Sales and Use Taxes, Levied for Debt Services					2,086,800
State Revenue Sharing					982,274
Grants and Contributions not Restricted to Specific Purposes:					
Minimum Foundation Program					163,746,482
Other					2,862
Interest and Investment Earnings					1,741,195
Miscellaneous					(216,920)
Total General Revenues					233,069,568
Change in Net Position					34,772,439
Net Position (Deficit) - Beginning of Year, Restated					(345,786,028)
Net Position (Deficit) - End of Year					\$ (311,013,589)

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, 2018

<u>ASSETS</u>	<u>General Fund</u>	<u>Disaster Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 18,280,170	\$ 6,049,087	\$ 5,830,362	\$ 10,516,650	\$ 40,676,269
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	57,150,000	-	-	-	57,150,000
Receivables	5,972,710	18,017,056	24,699	6,870,001	30,884,466
Due from Other Funds	5,723,379	-	-	-	5,723,379
Inventory	2,238,506	-	-	276,407	2,514,913
Total Assets	<u>\$ 89,364,765</u>	<u>\$ 24,066,143</u>	<u>\$ 5,855,061</u>	<u>\$ 17,663,058</u>	<u>\$ 136,949,027</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts, Salaries and Other Payables	\$ 21,438,351	\$ 818,877	\$ 2,122,878	\$ 1,539,701	\$ 25,919,807
Due to Other Funds	-	-	-	5,723,379	5,723,379
Total Liabilities	21,438,351	818,877	2,122,878	7,263,080	31,643,186
Deferred Inflows of Resources:					
Deferred Inflows of Resources - Unavailable Intergovernmental Revenues	-	18,017,056	-	-	18,017,056
Fund Balances:					
Nonspendable:					
Inventory	2,238,506	-	-	276,407	2,514,913
Restricted For:					
Debt Service	-	-	-	5,922,460	5,922,460
Maintenance of Schools	-	-	-	2,554,348	2,554,348
Construction, Utilities and Maintenance	24,551,270	-	-	-	24,551,270
Educational Excellence	59,038	-	-	-	59,038
E-Rate	1,402,573	-	-	-	1,402,573
Career Development	1,314,592	-	-	-	1,314,592
Other	61,055	5,117,196	-	-	5,178,251
Committed To:					
Contracts	-	113,014	2,023,732	300,950	2,437,696
Assigned To:					
Capital Projects	-	-	1,708,451	-	1,708,451
School Lunch Program	-	-	-	1,345,813	1,345,813
Insurance Proceeds	5,000,000	-	-	-	5,000,000
Property Damage Insurance	1,000,000	-	-	-	1,000,000
General Liability Insurance	2,500,000	-	-	-	2,500,000
Workers Compensation Insurance	825,000	-	-	-	825,000
Salary Supplements	3,000,000	-	-	-	3,000,000
Other Post Employment Benefits	3,797,368	-	-	-	3,797,368
Unassigned	22,177,012	-	-	-	22,177,012
Total Fund Balances	<u>67,926,414</u>	<u>5,230,210</u>	<u>3,732,183</u>	<u>10,399,978</u>	<u>87,288,785</u>
Total Liabilities and Fund Balances	<u>\$ 89,364,765</u>	<u>\$ 24,066,143</u>	<u>\$ 5,855,061</u>	<u>\$ 17,663,058</u>	<u>\$ 136,949,027</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

JUNE 30, 2018

	Total Governmental Funds
Total Fund Balances - Governmental Funds	\$ 87,288,785
Cost of Capital Assets	380,802,739
Less: Accumulated Depreciation	(141,301,350)
	239,501,389
Elimination of Interfund Assets and Liabilities:	
Due from Other Funds	5,723,379
Due to Other Funds	(5,723,379)
	-
Long-Term Liabilities:	
Accumulated Unfunded Other Postemployment Benefits Payable	(249,165,356)
Compensated Absences	(13,702,570)
Net Pension Liability	(284,734,709)
Claims and Judgments	(2,130,000)
Bonds Payable	(105,620,000)
Capital Lease Payable	(2,519,712)
Certificates of Indebtedness Payable	(1,200,015)
Deferred Premium on Bonds	(2,006,129)
Deferred Amount on Refunding	1,254,808
Accrued Interest Payable	(825,471)
	(660,649,154)
Deferred Inflow of Resources - Unavailable Intergovernmental Revenues are not Reported in Governmental Funds	18,017,056
Deferred Inflows of Resources Related to Other Postemployment Benefits are not Reported in Governmental Funds	(14,328,323)
Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds	40,968,885
Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds	(21,812,227)
Net Position (Deficit) of Governmental Activities	\$ (311,013,589)

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, 2018

	General Fund	Disaster Special Revenue Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 5,298,606	\$ -	\$ 2,530,341	\$ 10,168,593	\$ 17,997,540
Sales and Use	46,729,335	-	-	2,086,800	48,816,135
Other	567,928	-	-	-	567,928
Rentals, Leases and Royalties	8,921	-	-	-	8,921
Tuition	272,511	-	-	-	272,511
Interest Earnings	1,421,866	89,380	75,154	154,795	1,741,195
Food Services	-	-	-	360,286	360,286
Other	4,704,874	-	-	174,676	4,879,550
State Sources:					
Unrestricted Grants-in-Aid	163,851,206	-	242,576	637,836	164,731,618
Restricted Grants-in-Aid	1,801,122	-	-	-	1,801,122
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	-	781,477	781,477
Restricted Grants-in-Aid - Subgrants	-	3,162,793	-	28,691,183	31,853,976
Other - Commodities	-	-	-	967,498	967,498
Total Revenues	224,656,369	3,252,173	2,848,071	44,023,144	274,779,757
Expenditures:					
Instruction:					
Regular Programs	98,528,556	367,434	-	66,588	98,962,578
Special Programs	29,055,262	-	-	1,864,536	30,919,798
Vocational Programs	3,054,283	13,171	-	323,246	3,390,700
Adult and Continuing Education Programs	122,536	-	-	110,610	233,146
Other Programs	4,597,107	-	-	7,315,973	11,913,080
Support Services:					
Pupil Support	12,912,779	-	-	2,176,472	15,089,251
Instructional Staff Support	5,924,071	-	-	2,858,800	8,782,871
General Administration	2,160,523	-	102,157	400,335	2,663,015
School Administration	14,347,199	-	-	-	14,347,199
Business Services	2,246,105	-	-	490	2,246,595
Plant Services	16,235,055	4,989,643	-	4,466,460	25,691,158
Transportation Services	12,654,439	-	-	32,098	12,686,537
Central Services	2,380,549	-	-	-	2,380,549
Food Services	-	90,137	-	14,472,827	14,562,964
Community Service Programs	17,944	-	-	102,595	120,539

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Disaster Special Revenue Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Expenditures (Continued):					
Capital Outlay	828,502	6,246,352	17,423,599	1,971,510	26,469,963
Debt Service:					
Principal Retirement	954,669	-	-	7,661,665	8,616,334
Interest and Bank Charges	67,204	-	-	3,934,288	4,001,492
Total Expenditures	206,086,783	11,706,737	17,525,756	47,758,493	283,077,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,569,586	(8,454,564)	(14,677,685)	(3,735,349)	(8,298,012)
Other Financing Sources (Uses):					
Proceeds from Disposition of Assets	5,556	-	-	-	5,556
Other	(793,769)	-	-	-	(793,769)
Issuance of Long-Term Debt	670,133	-	-	-	670,133
Transfers In	781,477	-	7,495,000	6,785,568	15,062,045
Transfers Out	(14,280,568)	-	-	(781,477)	(15,062,045)
Total Other Financing Sources (Uses)	(13,617,171)	-	7,495,000	6,004,091	(118,080)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,952,415	(8,454,564)	(7,182,685)	2,268,742	(8,416,092)
Fund Balances at Beginning of Year	62,973,999	13,684,774	10,914,868	8,131,236	95,704,877
Fund Balances at End of Year	\$ 67,926,414	\$ 5,230,210	\$ 3,732,183	\$ 10,399,978	\$ 87,288,785

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, 2018

	Total Governmental Funds
Total Net Change in Fund Balances - Governmental Funds	\$ (8,416,092)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Deferred Inflow of Resources - Unavailable Intergovernmental Revenues	15,075,649
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	26,469,963
Library Books and Textbooks Purchased	1,490,237
Depreciation Expense	(10,096,504)
Add accumulated depreciation on capital assets retired and impaired during the year	1,515,513
Less cost basis of capital assets retired and impaired during the year	(3,705,578)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Issuance of Capital Lease	(670,133)
General Obligation Bond Principal Repayments	6,795,000
Certificates of Indebtedness Principal Repayments	866,665
Capital Lease Principal Payments	954,669
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	(252,647)
(Increase) Decrease in Claims and Judgments Payable	(70,000)
(Increase) in OPEB Expense	(3,731,160)
(Increase) Decrease in Pension Expense	8,471,981
Amortization of Deferred Amounts on Refunding	(121,624)
Amortization of Premium Received on Issuance of General Obligation Bonds	196,115
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.	385
Change in Net Position of Governmental Activities	\$ 34,772,439

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 5,105,000	\$ 5,250,000	\$ 5,298,606	\$ 48,606
Sales and Use	46,120,000	46,570,000	46,729,335	159,335
Other	540,000	570,000	567,928	(2,072)
Rentals, Leases and Royalties	8,000	14,220	8,921	(5,299)
Tuition	300,000	300,000	272,511	(27,489)
Interest Earnings	1,070,000	1,380,000	1,421,866	41,866
Other	3,806,300	4,006,800	4,704,874	698,074
State Sources:				
Unrestricted Grants-in-Aid	161,838,635	163,524,926	163,851,206	326,280
Restricted Grants-in-Aid	1,716,237	1,802,991	1,801,122	(1,869)
Total Revenues	220,504,172	223,418,937	224,656,369	1,237,432
Expenditures:				
Instruction:				
Regular Programs	100,567,865	102,366,178	98,528,556	3,837,622
Special Programs	30,010,917	29,603,299	29,055,262	548,037
Vocational Programs	3,365,863	3,366,263	3,054,283	311,980
Other Programs	4,756,048	5,147,914	4,597,107	550,807
Adult and Continuing Education Programs	91,845	117,418	122,536	(5,118)
Support Services:				
Pupil Support	13,257,500	13,134,200	12,912,779	221,421
Instructional Staff Support	6,038,800	6,098,981	5,924,071	174,910
General Administration	2,257,600	2,292,200	2,160,523	131,677
School Administration	14,692,375	14,598,423	14,347,199	251,224
Business Services	2,459,000	2,432,500	2,246,105	186,395
Plant Services	16,766,322	16,923,825	16,235,055	688,770
Transportation Services	14,225,995	13,961,596	12,654,439	1,307,157
Central Services	2,487,500	2,678,000	2,380,549	297,451
Community Service Programs	15,001	15,001	17,944	(2,943)

(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, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):				
Support Services (Continued):				
Capital Outlay	2,179,000	1,383,000	828,502	554,498
Debt Service:				
Principal Retirement	900,000	955,000	954,669	331
Interest and Bank Charges	30,000	70,000	67,204	2,796
Total Expenditures	214,101,631	215,143,798	206,086,783	9,057,015
Excess of Revenues Over Expenditures	6,402,541	8,275,139	18,569,586	10,294,447
Other Financing Sources (Uses):				
Proceeds from Disposition of Assets	65,000	70,516	5,556	(64,960)
Other	(670,000)	(805,000)	(793,769)	11,231
Proceeds from Issuance of Debt	1,110,000	675,000	670,133	(4,867)
Transfers In	600,000	600,000	781,477	181,477
Transfers Out	(11,165,166)	(19,385,384)	(14,280,568)	5,104,816
Total Other Financing Sources (Uses)	(10,060,166)	(18,844,868)	(13,617,171)	5,227,697
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	(3,657,625)	(10,569,729)	4,952,415	15,522,144
Fund Balance at Beginning of Year	62,973,999	62,973,999	62,973,999	-
Fund Balance at End of Year	\$ 59,316,374	\$ 52,404,270	\$ 67,926,414	\$ 15,522,144

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 -
DISASTER SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Local Sources:				
Interest Earnings	\$ -	\$ 85,000	\$ 89,380	\$ 4,380
Federal Sources:				
Restricted Grants-in-Aid	<u>14,745,000</u>	<u>15,025,000</u>	<u>3,162,793</u>	<u>(11,862,207)</u>
Total Revenues	<u>14,745,000</u>	<u>15,110,000</u>	<u>3,252,173</u>	<u>(11,857,827)</u>
Expenditures:				
Instruction:				
Regular Programs	10,000,000	10,455,000	367,434	10,087,566
Vocational Programs	-	-	13,171	(13,171)
Support Services:				
Plant Services	2,495,000	2,567,680	4,989,643	(2,421,963)
Food Services	-	19,000	90,137	(71,137)
Capital Outlay	<u>2,250,000</u>	<u>2,068,320</u>	<u>6,246,352</u>	<u>(4,178,032)</u>
Total Expenditures	<u>14,745,000</u>	<u>15,110,000</u>	<u>11,706,737</u>	<u>3,403,263</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(8,454,564)	(8,454,564)
Fund Balance at Beginning of Year	<u>13,684,774</u>	<u>13,684,774</u>	<u>13,684,774</u>	<u>-</u>
Fund Balance at End of Year	<u>13,684,774</u>	<u>13,684,774</u>	<u>\$ 5,230,210</u>	<u>\$ (8,454,564)</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, 2018

ASSETS

Cash and Cash Equivalents	<u>\$ 10,961,145</u>
Total Assets	<u><u>\$ 10,961,145</u></u>

LIABILITIES

Amounts Held for School Activities	\$ 6,599,904
Deposits Due to Others	<u>4,361,241</u>
Total Liabilities	<u><u>\$ 10,961,145</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, 2018

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-three 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 25,400 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, 2018

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, 2018, 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, 2018, the Livingston Parish Public Benefit Corporation had no assets or liabilities to report.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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, 2018

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

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

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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, 2018

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, 2018, 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, 2018. 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, 2018

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 acquisition value. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

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

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

J. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

In Government-Wide Financial Statements, the School Board also has deferred outflows and inflows of resources on the statement of net position that are related to pensions and other postemployment benefits. In Governmental Fund Financial Statements, deferred inflows of resources - unavailable intergovernmental revenues are reported for receivables recorded in the Governmental Fund Financial Statements for which revenue is not available.

K. Compensated Absences

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

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

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

L. Pensions

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Postemployment Benefits Other than Pensions (OPEB)

The School Board provides certain continuing health care and life insurance benefits for its retired employees as described in Note 10. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

N. Long-Term Obligations

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

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

O. 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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.

P. 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.

Q. Equity Balances

Government-Wide Statements

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

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

- 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.

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.

(2) Cash and Cash Equivalents -

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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, 2018, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$108,787,414 the confirmed bank balances were \$109,174,567. 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, 2018:

	Governmental Funds	Fiduciary Funds	Total
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$40,676,269	\$10,961,145	\$ 51,637,414
Certificates of Deposits	<u>57,150,000</u>	<u>-</u>	<u>57,150,000</u>
Total	<u>\$97,826,269</u>	<u>\$10,961,145</u>	<u>\$108,787,414</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, 2018, none of the School Board’s bank balance of \$109,174,567 was exposed to custodial credit risk.

(3) Ad Valorem Taxes -

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

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

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

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

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

Total Ad Valorem Taxes Levied	\$18,285,034
Less: Amounts Deemed Uncollectible	<u>(287,494)</u>
Net Ad Valorem Taxes Collectible	<u><u>\$17,997,540</u></u>

Ad Valorem taxes receivable at June 30, 2018, totaled \$147,550.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

(4) Receivables -

The receivables at June 30, 2018, 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	\$ 170,541	\$ 679,407	\$4,167,854	\$ 43,340	\$ 8,395	\$903,173	\$ 5,972,710
Capital Projects Fund	-	-	-	20,695	4,004	-	24,699
Disaster Fund	18,017,056	-	-	-	-	-	18,017,056
Nonmajor Funds	<u>6,587,879</u>	<u>-</u>	<u>177,553</u>	<u>83,515</u>	<u>16,521</u>	<u>4,533</u>	<u>6,870,001</u>
Totals	<u>\$24,775,476</u>	<u>\$ 679,407</u>	<u>\$4,345,407</u>	<u>\$147,550</u>	<u>\$ 28,920</u>	<u>\$ 907,706</u>	<u>\$30,884,466</u>

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 5,723,379	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Title 1	-	2,520,803
Special Education Fund	-	1,807,148
Special Federal Fund	-	926,464
Other Federal ESEA Fund	<u>-</u>	<u>468,964</u>
Total Special Revenue Funds	<u>-</u>	<u>5,723,379</u>
Total	<u>\$ 5,723,379</u>	<u>\$ 5,723,379</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 781,477	\$ 14,280,568
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Title 1	-	304,145
Special Education	-	316,039
Maintenance of Schools	2,595,000	-
Special Federal	28,154	88,640
Other Federal ESEA	<u>-</u>	<u>72,653</u>
Total Special Revenue Funds	2,623,154	781,477
Debt Service Funds:		
District No. 1	3,280,249	-
District No. 4	812,000	-
District No. 31	<u>70,165</u>	<u>-</u>
Total Debt Service Funds	4,162,414	-
Capital Projects Fund:		
District No. 4	6,500,000	-
District No. 22	725,000	-
District No. 24	70,000	-
District No. 25	125,000	-
District No. 26	<u>75,000</u>	<u>-</u>
Total Capital Projects Fund	7,495,000	-
Total	<u>\$ 15,062,045</u>	<u>\$ 15,062,045</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2018 is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 15,535,453	\$ 664,750	\$ -	\$ 16,200,203
Construction in Progress	<u>20,553,816</u>	<u>22,632,372</u>	<u>(17,476,657)</u>	<u>25,709,531</u>
Total Capital Assets not being Depreciated	36,089,269	23,297,122	(17,476,657)	41,909,734
Capital Assets being Depreciated:				
Buildings and Improvements	283,552,951	16,883,778	(2,584,802)	297,851,927
Furniture and Equipment	7,919,941	518,208	(94,997)	8,343,152
Library Books and Textbooks	18,716,669	1,490,237	(350,400)	19,856,506
Vehicles	<u>10,269,287</u>	<u>2,654,633</u>	<u>(82,500)</u>	<u>12,841,420</u>
Total Capital Assets being Depreciated	320,458,848	21,546,856	(3,112,699)	338,893,005
Less: Accumulated Depreciation for:				
Buildings and Improvements	108,466,142	6,647,932	(1,088,629)	114,025,445
Furniture and Equipment	4,407,194	593,428	(75,109)	4,925,513
Library Books and Textbooks	15,539,642	1,819,318	(350,400)	17,008,560
Vehicles	<u>4,307,381</u>	<u>1,035,826</u>	<u>(1,375)</u>	<u>5,341,832</u>
Total Accumulated Depreciation	<u>132,720,359</u>	<u>10,096,504</u>	<u>(1,515,513)</u>	<u>141,301,350</u>
Total Capital Assets being Depreciated, Net	<u>187,738,489</u>	<u>11,450,352</u>	<u>(1,597,186)</u>	<u>197,591,655</u>
Total Governmental Activities Capital Assets, Net	<u>\$223,827,758</u>	<u>\$34,747,474</u>	<u>\$(19,073,843)</u>	<u>\$239,501,389</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Depreciation expense of \$10,096,504 for the year ended June 30, 2018 was charged to the following governmental functions:

Instruction:

Regular Education	\$ 1,527,647
Special Education	16,549
Vocational Education	11,445
Other Education Programs	8,192

Support Services:

Instructional Staff Support	456,960
General Administration (Including all Buildings)	6,712,241
School Administration	3,253
Business Services	62,692
Plant Services	156,013
Student Transportation Services	1,012,033
Central Services	18,704
School Food Services	<u>110,775</u>

Total	<u><u>\$ 10,096,504</u></u>
-------	-----------------------------

Idle Assets

Denham Springs Elementary School, Southside Elementary School, and Southside Junior High School suffered severe damage during the flood of August 2016. Currently, the three schools are located on temporary campuses and the original school campuses are not usable. The School Board recorded asset impairments of \$4,731,413 on these school campuses in the prior fiscal year. Construction to rebuild the three campuses is scheduled to begin in mid-2019.

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2018, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Employee Benefits and Withholdings</u>	<u>Total</u>
General Fund	\$2,787,708	\$8,535,430	\$10,115,213	\$21,438,351
Capital Projects Fund	2,122,878	-	-	2,122,878
Disaster Fund	818,877	-	-	818,877
Nonmajor Funds	<u>766,830</u>	<u>772,871</u>	<u>-</u>	<u>1,539,701</u>
Total	<u><u>\$6,496,293</u></u>	<u><u>\$9,308,301</u></u>	<u><u>\$10,115,213</u></u>	<u><u>\$25,919,807</u></u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

(8) Pension Plans

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

General Information about the Pension Plans

Plan Descriptions:

Teachers' Retirement System of Louisiana

Employees of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

State of Louisiana School Employees' Retirement System

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

Louisiana State Employees' Retirement System

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Benefits Provided:

Teachers' Retirement System of Louisiana

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

Retirement Benefits:

1. Normal Retirement

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

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

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

Benefit Formula

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

Payment Options

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

2. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

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

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

3. Disability Benefits

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

4. Survivor Benefits

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

5. Permanent Benefit Increases/Cost-of-Living Adjustments

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

6. Optional Retirement Plan (ORP)

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

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

State of Louisiana School Employees' Retirement System

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

1. Eligibility Requirements

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

2. Benefits

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

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

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

3. Disability

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

4. Deferred Retirement Option Plan

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

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

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

5. Initial Benefit Retirement Plan

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

Louisiana Employees' Retirement System

1. Retirement

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

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

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

2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

3. Disability Benefits

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

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

5. Permanent Benefit Increases/Cost of Living Adjustments

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Contributions:

Teachers' Retirement System of Louisiana

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2018 are as follows:

2018 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.6%
Plan A	9.1%	26.6%
<hr/>		
ORP		
2018	8.0%	22.2%

The contractually required composite contribution rate was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the TRSL from the School Board were \$29,480,610 for the year ended June 30, 2018.

In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$567,928 for the year ended June 30, 2018.

State of Louisiana School Employees' Retirement System

Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. For the year ending June 30, 2018, the employer contribution rate was 26.37% and the employee rate was 7.5% of their annual covered salary for members employed prior to July 1, 2010, and 8.0% for members employed subsequent to July 1, 2010. Contributions to LSERS from the School Board were \$2,862,857 for the year ended June 30, 2018.

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Employee and employer contributions are deducted from a member’s salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2018 for the plan Regular Employees Pre Act 75 (hired before July 1, 2006) were 7.5% for the employee and 37.90% for the employer. The contribution rates in effect during the year ended June 30, 2018 for the plan Regular Employees Post Act 75 (hired after June 30, 2006) were 7.5% for the employee and 37.90% for the employer. The status of the plan Regular Employees Pre Act 75 (hired before July 1, 2006) is closed.

The School Board’s contractually required composite contribution rate for the year ended June 30, 2018 was 37.90% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to LASERS from the School Board were \$147,323 for the year ended June 30, 2018.

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

At June 30, 2018, the School Board reported a liability of \$284,734,709 for its proportionate share of the net pension liability of TRSL, LSERS, and LASERS combined. For all plans, the net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board’s proportion of the net pension liability was based on a projection of the School Board’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The School Board’s proportion at June 30, 2017 and change in proportion measured as of June 30, 2016 is as follows:

Plan	Proportion at June 30, 2017	Change in Proportion
TRSL	2.52642%	(0.01182%)
LSERS	3.79181%	0.05624%
LASERS	0.02082%	0.00269%

For the year ended June 30, 2018, the School Board recognized pension expense as follows:

Plan	Pension Expense
TRSL	\$ 21,197,365
LSERS	2,624,135
LASERS	345,919
	\$ 24,167,419

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRSL	LSERS	LASERS	Total
Deferred Outflows of Resources:				
Differences between expected and actual Experience	\$ -	\$ -	\$ -	\$ -
Changes in Assumptions	-	508,784	5,790	514,574
Net difference between projected and actual earnings on pension plan investments	2,731,213	-	47,655	2,778,868
Changes in proportion and differences between Employer contributions and proportionate share of contributions	4,548,872	470,515	209,335	5,228,722
Employer contributions subsequent to the measurement date	29,436,541	2,862,857	147,323	32,446,721
Total Deferred Outflows of Resources	\$ 36,716,626	\$ 3,842,156	\$ 410,103	\$ 40,968,885
	TRSL	LSERS	LASERS	Total
Deferred Inflows of Resources:				
Differences between expected and actual Experience	\$ 15,203,589	\$ 565,832	\$ 26,890	\$ 15,796,311
Changes in Assumptions	-	378,006	-	378,006
Net difference between projected and actual earnings on pension plan investments	-	379,421	-	379,421
Changes in proportion and differences between Employer contributions and proportionate share of contributions	5,229,650	23,588	5,251	5,258,489
Total Deferred Inflows of Resources	\$ 20,433,239	\$ 1,346,847	\$ 32,141	\$ 21,812,227

\$32,446,721 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

<u>Year Ended June 30:</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2019	\$ (5,317,339)	\$ (493,098)	\$ 136,732	\$ (5,673,705)
2020	1,164,871	848,460	104,239	2,117,570
2021	(1,710,378)	159,936	19,071	(1,531,371)
2022	(7,290,308)	(882,846)	(29,403)	(8,202,557)
	<u>\$ (13,153,154)</u>	<u>\$ (367,548)</u>	<u>\$ 230,639</u>	<u>\$ (13,290,063)</u>

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 for all plans are as follows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Inflation	2.50%	2.625%	2.75%
Investment rate of return	7.70%	7.125%	7.70%
	3.5% to 10% - varies depending on duration of	Varies based on	3.8% to
Salary increases	service	years of service.	12.8%

For TRSL, the mortality rates were projected based on RP-2000 Mortality Table with projections to 2025 using Scale AA. Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of system's members.

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

For LASERS, mortality rates were based on RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members. Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the system's members.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

For TRSL, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.33% for 2017. Best estimates of arithmetic real rates of return for each major asset class included in the TRSL's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Domestic Equity	4.28%
International Equity	4.96%
Domestic Fixed Income	1.98%
International Fixed Income	2.75%
Private Equity	8.47%
Other Private Assets	3.51%

For LSERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return in 8.10%. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2017 are summarized in the following table:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Core Fixed Income	8%	2.02%
High Yield	5%	4.43%
Emerging Markets Debt	7%	4.71%
Global Fixed Income	10%	1.38%
US Equity	20%	6.44%
Developed Equity	18%	7.40%
Emerging Markets Equity	10%	9.42%
Global REITs	3%	5.77%
Private Equity	5%	10.47%
Hedge Fund of Funds	3%	3.75%
Real Estate	5%	5.00%
Timber	2%	5.67%
Oil & Gas	2%	10.57%
Infrastructure	2%	6.25%
Total	100%	

For LASERS the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Cash	0%	(0.24%)
Domestic Equity	25%	4.31%
International Equity	32%	5.34%
Domestic Fixed Income	8%	1.73%
International Fixed Income	6%	2.49%
Alternative Investments	22%	7.41%
Global Asset Allocation	7%	2.84%
Total	100%	5.26%

Discount Rate

The discount rate used to measure the total pension liability was 7.70% for TRSL and 7.70% for LASERS which were a decrease of 0.05% from the prior measurement date of June 30, 2016. For LSERS, the discount rate used to measure the total pension liability was 7.125% which was no change from its prior measurement date of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

TRSL:	Changes in Discount Rate		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.70%	7.70%	8.70%
Net pension liability	\$333,733,804	\$259,004,771	\$ 195,434,942

LSERS:	Changes in Discount Rate		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.125%	7.125%	8.125%
Net pension liability	\$ 33,264,193	\$ 24,264,806	\$ 16,536,436

LASERS:	Changes in Discount Rate		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.70%	7.70%	8.70%
Net pension liability	\$ 1,839,308	\$ 1,465,132	\$ 1,146,995

Pension Plans Fiduciary Net Position

TRSL issued a stand-alone audit report on its financial statements for the year ended June 30, 2017. Access to the audit report can be found on the System’s website: www.trsl.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

LSERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2017. Access to the audit report can be found on the System’s website: www.lasers.net or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Detailed information about LASERS’ pension plan’s fiduciary net position is available in the separately issued LASERS 2017 Comprehensive Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Payables to the Pension Plans

At June 30, 2018 included in liabilities are payables to the pension plans as follows: TRSL \$5,467,968, LSERS \$435,985, and LASERS \$26,693. These payables are normal legally required contributions to the pension plans.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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 \$505,623 which consisted of \$87,642 from the School Board and \$417,981 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, 2018.

(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, 2017	\$ 6,198,115	\$ 4,433,702	\$ 10,631,817
Additions	14,175,069	103,036,338	117,211,407
Deductions	<u>(13,773,280)</u>	<u>(103,108,799)</u>	<u>(116,882,079)</u>
Balance - June 30, 2018	<u>\$ 6,559,904</u>	<u>\$ 4,361,241</u>	<u>\$ 10,961,145</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

(10) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2018:

	Bonded Debt	Certificates of Indebtedness	Capital Lease	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Long-Term Obligations - July 1, 2017, as Previously Reported	\$114,617,244	\$ 2,066,680	\$ 2,804,248	\$13,449,923	\$ 2,060,000	\$ 67,692,672	\$202,690,767
OPEB Adjustment*	-	-	-	-	-	192,069,847	192,069,847
Long-Term Obligations - July 1, 2017, as Restated	114,617,244	2,066,680	2,804,248	13,449,923	2,060,000	259,762,519	394,760,614
Additions	-	-	670,133	3,827,390	1,002,005	14,045,411	19,544,939
Amortization of Premium Received on Issuance of Bond	(196,115)	-	-	-	-	-	(196,115)
Deductions	(6,795,000)	(866,665)	(954,669)	(3,574,743)	(932,005)	(24,642,574)	(37,765,656)
Long-Term Obligations - June 30, 2018	<u>\$107,626,129</u>	<u>\$1,200,015</u>	<u>\$2,519,712</u>	<u>\$13,702,570</u>	<u>\$ 2,130,000</u>	<u>\$249,165,356</u>	<u>\$376,343,782</u>

* During 2018, the School Board adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See note 21.

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, 2018:

	Bonded Debt	Certificates of Indebtedness	Capital Lease	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Current Portion	\$ 6,885,000	\$ 866,665	\$ 956,259	\$ 3,425,643	\$ -	\$ -	\$ 12,133,567
Long-Term Portion	100,741,129	333,350	1,563,453	10,276,927	2,130,000	249,165,356	364,210,215
Total	<u>\$107,626,129</u>	<u>\$1,200,015</u>	<u>\$2,519,712</u>	<u>\$13,702,570</u>	<u>\$ 2,130,000</u>	<u>\$249,165,356</u>	<u>\$376,343,782</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Bonded Debt

All of the School Board's bonds outstanding at June 30, 2018 in the amount of \$105,620,000 consist of general obligation bonds with final maturities from 2018 to 2034 and interest rates from .1 percent to 5.00 percent. Bond principal and interest payable in the next fiscal year is \$6,885,000 and \$3,844,026, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

	<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:					
05/28/15	\$16,285,000	3.50-5.00%	2027	\$ 3,254,200	\$ 15,010,000
School District No. 4:					
08/04/14	\$8,500,000	2.00-4.00%	2024	804,150	5,960,000
12/30/14	\$25,000,000	3.00-5.00%	2034	8,719,987	23,175,000
School District No. 22:					
06/01/10	\$20,000,000	2.00-4.13%	2030	4,097,118	14,525,000
11/01/11	\$10,000,000	3.00-5.00%	2031	2,460,593	7,705,000
06/07/12	\$7,165,000	1.95%	2022	132,405	2,675,000
School District No. 33:					
06/01/10	\$1,750,000	3.75-5.00%	2024	118,180	750,000
Parish-Wide:					
06/20/17	\$27,000,000	2.68%	2032	5,346,600	25,400,000
06/20/17	\$11,000,000	5.00%	2032	<u>4,318,750</u>	<u>10,420,000</u>
Total General Obligation Bonds				<u>29,251,983</u>	<u>105,620,000</u>
Total Bonded Debt				<u>\$ 29,251,983</u>	<u>\$105,620,000</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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, 2018 the School Board has accumulated \$5,922,460 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2019	\$ 6,885,000	\$ 3,844,026	\$ 10,729,026
2020	7,150,000	3,617,154	10,767,154
2021	7,450,000	3,357,671	10,807,671
2022	7,760,000	3,089,104	10,849,104
2023	7,360,000	2,800,485	10,160,485
2024-2028	38,945,000	9,468,321	48,413,321
2029-2034	30,070,000	3,075,219	33,145,219
	105,620,000	\$ 29,251,980	\$ 134,871,980
Unamortized Premium on Bond Issuance	2,006,129		
	\$ 107,626,129		

Prior Years Advance Refundings

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

The advance refunding of the Series 2005 Bonds and the Series 2007 Bonds resulted in differences between the reacquisition price and the net carrying amount of the old debt of \$346,613 and \$1,097,714, respectively, which were deferred and are being amortized over the life of the new bonds. These differences are reported in the accompanying financial statements as Deferred Outflow of Resources and are being charged to operations as components of interest expense. At June 30, 2018, the unamortized balance is \$1,254,808. Also, as a result of the advance refunding of the Series 2005 Bonds and the Series 2007 Bonds, \$8,705,000 of the 2005 Series Bonds and \$16,590,000 of the 2007 Series Bonds were considered in-substance defeased and the liability for those bonds were removed from the School Board's books. At June 30, 2018, the 2007 Series defeased bonds were paid off and none are outstanding at June 30, 2018. The 2005 Series defeased bonds have also been paid off and none are outstanding at June 30, 2018.

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.

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, 2018, the statutory limit is approximately \$263,965,830 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$105,620,000.

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:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
Certificates of Indebtedness:					
School District No. 4:					
10/01/09	\$8,000,000	0.75%	2019	\$ 6,000	\$ 800,000
School District No. 31:					
10/01/09	\$1,000,000	0.75%	2024	<u>10,500</u>	<u>400,015</u>
Total Certificates of Indebtedness				<u>\$ 16,500</u>	<u>\$ 1,200,015</u>

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

Year Ending June 30	Principal Payments	Interest Payments at 0.75%	Total	Interest Payments at 2.24%	Interest Saved Under QSCB
2019	\$ 866,665	\$ 9,000	\$ 875,665	\$ 26,880	\$ 17,880
2020	66,665	2,500	69,165	7,467	4,967
2021	66,665	2,000	68,665	5,974	3,974
2022	66,665	1,500	68,165	4,480	2,980
2023 to 2024	<u>133,355</u>	<u>1,500</u>	<u>134,855</u>	<u>4,481</u>	<u>2,981</u>
	<u>\$ 1,200,015</u>	<u>\$ 16,500</u>	<u>\$ 1,216,515</u>	<u>\$ 49,282</u>	<u>\$ 32,782</u>

As indicated in the above schedule, the School Board will pay \$16,500 in interest using the 0.75% rate instead of \$49,282 using the 2.24% rate or a difference of \$32,782. The difference or contribution is netted with interest expense in the debt service fund.

Capital Lease Payable

The School Board entered into a capital lease agreement on May 25, 2018, for financing the purchase of two school buses at a cost of \$176,744. The lease requires 5 annual payments of principal and interest of \$38,843. The first payment was due at inception of lease with a final payment due on July 1, 2022. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2018, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2018</u>
Capital lease to finance the purchase of two school buses	<u>\$176,744</u>	<u>4.95%</u>	<u>05/25/2022</u>	<u>\$137,901</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

The School Board entered into a capital lease agreement on February 20, 2018, for financing the purchase of ten school buses at a cost of \$493,389. The lease requires 5 annual payments of principal and interest of \$108,756. The first payment was due at inception of lease with a final payment due on May 25, 2022. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2018, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2018</u>
Capital lease to finance the purchase of ten school buses	\$493,389	4.27%	07/01/2022	\$392,296

The School Board entered into a capital lease agreement on April 20, 2017, for financing the purchase of fourteen school buses at a cost of \$1,117,090. The lease requires 5 annual payments of principal and interest of \$234,273. The first payment was due at inception of lease with a final payment due on April 20, 2021. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2018, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2018</u>
Capital lease to finance the purchase of fourteen school buses	\$1,117,090	2.43%	04/20/2021	\$669,997

The School Board entered into a capital lease agreement on October 26, 2016, for financing the purchase of fourteen school buses at a cost of \$1,098,370. The lease requires 5 annual payments of principal and interest of \$229,425. The first payment was due at inception of lease with a final payment due on October 6, 2020. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2018, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2018</u>
Capital lease to finance the purchase of fourteen school buses	\$1,098,370	2.22%	10/06/2020	\$658,810

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

The School Board entered into a capital lease agreement on October 28, 2015, for financing the purchase of fourteen school buses at a cost of \$1,128,138. The lease requires 5 annual payments of principal and interest of \$234,380. The first payment was due at inception of lease with a final payment due on October 28, 2019. The lease agreement contains a non-appropriation exculpatory clause that allows cancellation if the School Board does not make an annual appropriation for the lease payments. The capital lease payable at June 30, 2018, is as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2018</u>
Capital lease to finance the purchase of fourteen school buses	\$1,128,138	1.94%	10/28/2019	\$470,991

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

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2018</u>
Capital lease to finance the purchase of fourteen school buses	\$1,091,536	1.84%	08/22/18	\$189,718

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

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2019	\$ 956,259	\$ 65,615	\$ 1,021,874
2020	786,187	43,042	829,229
2021	588,460	22,837	611,297
2022	188,806	6,651	195,457
	<u>\$ 2,519,712</u>	<u>\$ 138,145</u>	<u>\$ 2,657,857</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Compensated Absences

At June 30, 2018, employees of the School Board have accumulated and vested \$13,702,570 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Post-Employment Benefits

General Information about the OPEB Plan

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

Benefits Provided – Medical benefits are provided 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 this plan has been deemed to be a single employer defined OPEB plan (within the meaning of GASB 74/75) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most of the employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on or after January 1, 2011 must have attained at least age 60 at retirement (or D.R.O.P. entry) to avoid actuarial reduction in the retirement benefit.

Life insurance coverage under the OGB program is available to retirees by election and a blended rate (active and retired) is used. The employer pays 50% of the blended rate cost of the retiree life insurance. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,054
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	2,636
	<u>3,690</u>

Total OPEB Liability

The School Board’s total OPEB liability of \$249,165,356 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.58% annually (Beginning of Year to Determine ADC)
	3.87% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 259,762,519
Changes for the Year:	
Service cost	4,910,809
Interest	9,134,602
Difference between expected and actual experience	(3,211,535)
Changes in assumptions	(12,218,966)
Benefit payments and net transfers	<u>(9,212,073)</u>
Net changes	<u>(10,597,163)</u>
Balance at June 30, 2018	<u>\$ 249,165,356</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	3.87%	3.87%	4.87%
Total OPEB Liability	\$295,826,723	\$249,165,356	\$212,431,089

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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

	Changes in Discount Rate		
	1% Decrease	Discount Rate	1% Increase
	3.87%	3.87%	4.87%
Total OPEB Liability	\$295,826,723	\$249,165,356	\$212,431,089

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

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$12,943,233. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,982,140
Changes in Assumptions	-	11,346,183
Total	\$ -	\$ 14,328,323

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

<u>Year Ended June 30:</u>	
2019	\$ (1,102,178)
2020	(1,102,178)
2021	(1,102,178)
2022	(1,102,178)
2023	(1,102,178)
2024 and later	(8,817,433)
	\$ (14,328,323)

(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 \$1,000,000 of fund balance of the General Fund at June 30, 2018, to cover the cost of future property damage not covered by insurance.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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 \$5,922 in the fiscal year ended June 30, 2018. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2018, amounted to \$845,946.

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, 2018, the School Board has assigned \$2,500,000 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, 2018, the School Board has assigned \$825,000 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 \$1,122,030 in the fiscal year ended June 30, 2018. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2018, amounted to \$1,284,054.

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 Postemployment Benefits - During the current fiscal year, the School Board has assigned \$3,797,368 in the General Fund to be used to fund the Other Postemployment Benefits trust fund plan when adopted.

Insurance Proceeds - During the 2017 fiscal year, the School Board received \$5,000,000 in insurance proceeds to assist with the rebuilding of the schools damaged in the August 2016

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

flooding event. The School Board assigned these funds in the General Fund to be used to fund the rebuilding of the three school that received substantial damage. Construction to rebuild the three campuses is scheduled to begin in mid-2019.

Salary Supplement - During the current fiscal year, the School Board has assigned \$3,000,000 in the General Fund to be used to fund salary supplements.

(13) Fund Equity - Committed to Capital Projects Fund, Maintenance of Schools Fund, and Disaster Special Revenue Fund -

The Capital Projects Fund shows total fund equity of \$3,732,183. A summary of commitments under construction contracts for each individual school district at June 30, 2018, follows:

	Capital Projects			Maintenance of Schools			Disaster Special Revenue Fund		
	Project Authorization	Expended to June 30, 2018	Unexpended Commitment	Project Authorization	Expended to June 30, 2018	Unexpended Commitment	Project Authorization	Expended to June 30, 2018	Unexpended Commitment
District #1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 516,765	\$ 403,751	\$ 113,014
District #4	27,380,965	24,285,760	3,095,205	91,850	25,000	66,850	-	-	-
District #22	7,796,751	600,882	7,195,869	23,686	23,686	-	-	-	-
District #24	4,903,218	281,883	4,621,335	-	-	-	-	-	-
District #25	63,444	44,411	19,033	-	-	-	-	-	-
District #27	246,202	-	246,202	114,400	-	114,400	-	-	-
District #31	279,610	17,170	262,440	-	-	-	-	-	-
District #32	-	-	-	58,000	-	58,000	-	-	-
District #33	503,265	14,618	488,647	-	-	-	-	-	-
Parish-Wide	172,306	12,370	159,936	61,700	-	61,700	-	-	-
Total	\$ 41,345,761	\$ 25,257,094	\$ 16,088,667	\$ 349,636	\$ 48,686	\$ 300,950	\$ 516,765	\$ 403,751	\$ 113,014

Total All Funds			
	Project Authorization	Expended to June 30, 2018	Unexpended Commitment
District #1	\$ 516,765	\$ 403,751	\$ 113,014
District #4	27,472,815	24,310,760	3,162,055
District #22	7,820,437	624,568	7,195,869
District #24	4,903,218	281,883	4,621,335
District #25	63,444	44,411	19,033
District #27	360,602	-	360,602
District #31	279,610	17,170	262,440
District #32	58,000	-	58,000
District #33	503,265	14,618	488,647
Parish-Wide	234,006	12,370	221,636
Total	\$ 42,212,162	\$ 25,709,531	\$ 16,502,631

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Capital Projects Fund - Fund Balance and Unexpended Commitments:

	Fund Balance at June 30, 2018	District Unexpended Commitment June 30, 2018	Actual Fund Balances Less Commitment June 30, 2018
District #1	\$ 515,506	\$ -	\$ 515,506
District #4	114,951	3,095,205	(2,980,254)
District #22	599,585	7,195,869	(6,596,284)
District #24	461,327	4,621,335	(4,160,008)
District #25	91,052	19,033	72,019
District #26	112,815	-	112,815
District #27	756,620	246,202	510,418
District #31	514,723	262,440	252,283
District #32	245,410	-	245,410
District #33	320,194	488,647	(168,453)
Parish-Wide	-	159,936	(159,936)
Total	\$ 3,732,183	\$ 16,088,667	\$ (12,356,484)

At June 30, 2018 the unexpended commitments are recorded in the Capital Projects Fund as fund balance committed to contracts to the extent of available fund balances of \$2,099,822. The unavailable amount of \$13,988,846 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, 2018, 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, 2018, a balance of \$24,551,270 is restricted for utilities and maintenance as a result of these sales tax levies.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

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, 2018 of \$59,038 are reflected as a restriction of fund balance.

(15) Litigation and Claims -

At June 30, 2018, 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 2018.

	<u>Total</u> <u>Collections</u>	<u>Collection</u> <u>Cost</u>	<u>Final</u> <u>Distribution</u>
Livingston Parish Council	\$ 18,587,969	\$ 266,719	\$ 18,321,250
Law Enforcement Subdistrict A	9,495,593	145,267	9,350,326
Livingston Parish Drainage Districts:			
No. 1	1,746,671	23,463	1,723,208
No. 2	1,070,490	20,941	1,049,549
No. 5	1,831,648	32,497	1,799,151
City of Denham Springs	7,965,034	117,660	7,847,374
City of Walker	4,127,139	66,963	4,060,176
Town of Livingston	555,749	11,198	544,551
Village of Albany	407,887	8,158	399,729
Town of Springfield	408,890	8,178	400,712
Livingston Parish Tourist Commission	331,071	9,932	321,139
Denham Springs Economic Development District	4,461,086	197,792	4,263,294
Juban Crossing Economic Development District	3,170,058	131,593	3,038,465
Total	<u>\$ 54,159,285</u>	<u>\$ 1,040,361</u>	<u>\$ 53,118,924</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

(17) Tax Abatements -

Tax Increment Financing Tax Abatements - In prior years, the School Board entered into cooperative endeavor agreement with the Denham Springs Economic Development District (DSEDD) under provisions of the LA.R.S. Chapter 27 of Title 33 - Sales Tax Increment Financing. Under the provisions of the law, entities may enter into the cooperative endeavor agreements to dedicate a portion or all of the sales tax collected within the economic development district area for the purpose of repaying revenue bonds issued to fund economic development projects within the districts. Under the agreement, the School Board dedicated 100 percent of the General Fund's 1 cent sales tax and 100 percent of School District No. 1's .50 cent sales tax collected within the DSEDD area for the purposes of repaying revenue bonds issued to fund DSEDD projects. Once the DSEDD revenue bonds are paid in full, the School Board will start receiving 100 percent of both sales tax collected within the DSEDD area. The abated sales tax amounted to \$1,643,065 for the year ended June 30, 2018.

Industrial Tax Exemption Program – The Louisiana Industrial Ad Valorem Tax Exemption (ITEP) program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to 10 years, local ad valorem taxes on manufacturer's new investment and annual capitalized additions related to the manufacturing site. Businesses must be classified as a manufacturer or related to the manufacturing project in order to receive the benefits of the ITEP program. ITEP is only available for activities related to manufacturing. For the fiscal year ended June 30, 2018, \$355,876 in the School Board's ad valorem tax revenues were abated as a result of this program.

(18) Current Year Adoption of New Accounting Standards -

The School Board adopted the following recently issued GASB Standards in the preparation of the financial statements:

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Accordingly, the cumulative effective of the accounting change as of the beginning of the year is reported in the Statement of Activities. See Note 10 for disclosure effects of this standard.

In March 2017, the Governmental Accounting Standards Board issued GASB Statement No 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of this standard had no impact on the government wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the basic financial statements and required supplementary information.

(19) Current Accounting Pronouncements -

In November 2016, the Governmental Accounting Standards Board issued GASB Statement No 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

In March 2018, the Governmental Accounting Standards Board issued GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In June 2018, the Governmental Accounting Standards Board issued GASB Statement No 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In August 2018, the Governmental Accounting Standards Board issued GASB Statement No 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

(20) Flood of August 2016 -

From August 11, 2016 through August 15, 2016, a weather system that stalled over southeast Louisiana dumped up to 20 inches of rain in many places, and perhaps as much as 36 inches in other places causing catastrophic flooding of thousands of homes and businesses. The School Board had eight schools that suffered severe flood damage of which three were a total loss, two had serious damage and three had mild damage. Currently, three schools are still located on temporary campuses. Southside Elementary and Junior High students have relocated to temporary campuses next to Juban Parc Elementary and Junior High. Denham Springs Elementary is on a temporary site on land loaned to us by a local church. All other schools are open and final permanent repairs on several sites were completed during the summer of 2018.

The School Board applied for and is receiving federal financial assistance to assist with the cleanup, remediation, and other repairs cost of the affected campuses. The School Board also has applied for federal assistance to assist in the rebuilding of the three schools that are currently relocated. Construction to rebuild the three campuses is scheduled to begin in mid-2019.

(21) Change in Accounting Principle -

During the year, the School Board adopted the requirements of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attributes that present value to periods of employee service. GASB Statement 75 also requires enhanced note disclosures and schedules of required supplementary information that will be presented by the plans that are within its scope. The following items have been restated as of June 30, 2017 in accordance with GASB Statement 75:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2018

Governmental Activities

Total OPEB Liability Restated:

Accumulated Unfunded OPEB Payable at June 30, 2017, as Previously Reported	\$ (67,692,672)
OPEB Adjustment	<u>(192,069,847)</u>
Total OPEB Liability at June 30, 2017, as Restated	<u><u>\$(259,762,519)</u></u>

Net Position (Deficit) Restated:

Net Position (Deficit) - June 30, 2017, as Previously Reported	\$(153,716,181)
OPEB Adjustment	<u>(192,069,847)</u>
Net Position (Deficit) - June 30, 2017, as Restated	<u><u>\$(345,786,028)</u></u>

(22) Subsequent Event -

Management has evaluated subsequent events through December 26, 2018, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN

FOR THE YEAR ENDED JUNE 30, 2018*

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<u>Teachers' Retirement System of Louisiana:</u>					
2015	2.57000%	\$ 262,690,448	\$ 110,632,857	237.44%	63.65%
2016	2.50888%	269,761,283	111,321,600	242.33%	62.47%
2017	2.53824%	297,912,099	112,486,220	264.84%	59.90%
2018	2.52642%	259,004,771	112,669,135	229.88%	65.55%
<u>State of Louisiana School Employees' Retirement System:</u>					
2015	3.62140%	\$ 20,992,658	\$ 10,155,219	206.72%	76.18%
2016	3.63994%	23,081,854	10,323,143	223.59%	74.49%
2017	3.73557%	28,179,145	10,610,241	265.58%	70.09%
2018	3.79181%	24,264,806	10,854,676	223.54%	75.03%
<u>Louisiana State Employees' Retirement System:</u>					
2015	0.01172%	\$ 733,025	\$ 230,983	317.35%	65.02%
2016	0.01442%	980,626	325,509	301.26%	62.66%
2017	0.01813%	1,423,589	322,558	441.34%	57.73%
2018	0.02082%	1,465,132	386,245	379.33%	62.54%

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

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

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF CONTRIBUTIONS BY PLAN

FOR THE YEAR ENDED JUNE 30, 2018

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<u>Teachers' Retirement System of Louisiana:</u>					
2015	\$ 31,140,077	\$ 31,140,077	\$ -	\$ 111,321,600	27.97%
2016	29,558,885	29,558,885	-	112,486,220	26.28%
2017	28,705,949	28,705,949	-	112,669,135	25.48%
2018	29,436,541	29,436,541	-	110,770,800	26.57%
<u>State of Louisiana School Employees' Retirement System:</u>					
2015	\$ 3,405,111	\$ 3,405,111	\$ -	\$ 10,323,143	32.99%
2016	3,204,293	3,204,293	-	10,610,241	30.20%
2017	2,963,326	2,963,326	-	10,854,676	27.30%
2018	2,862,857	2,862,857	-	10,372,671	27.60%
<u>Louisiana State Employees' Retirement System:</u>					
2015	\$ 119,500	\$ 119,500	\$ -	\$ 325,509	36.71%
2016	119,681	119,681	-	322,558	37.10%
2017	138,276	138,276	-	386,245	35.80%
2018	147,323	147,323	-	388,716	37.90%

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

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF CHANGES IN THE SCHOOL BOARD'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2018

<u>Total OPEB Liability</u>	<u>2018</u>
Service Cost	\$ 4,910,809
Interest	9,134,602
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(3,211,535)
Changes in Assumptions or Other Inputs	(12,218,966)
Benefit Payments	(9,212,073)
Net Change in Total OPEB Liability	<u>\$ (10,597,163)</u>
Total OPEB Liability - Beginning, as Restated (See Note 21)	259,762,519
Total OPEB Liability - Ending	<u><u>\$ 249,165,356</u></u>
Covered-Employee Payroll	\$ 128,165,356
Total OPEB Liability as a Percentage of Covered Employee Payroll	194.41%

Notes to Schedule

There are no plan assets accumulated in a trust to pay OPEB benefits.

Benefit Changes - There were no changes of benefit terms for the year ended June 30, 2018.

Changes of Assumptions - The discount rate as of 6/30/2017 was 3.58% and it changes to 3.87% as of 6/30/2018.

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

See independent auditor's report.

Livingston Parish School Board

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms include

Teachers' Retirement System of Louisiana (TRSL):

- A 1.5% cost of living adjustment (COLA), effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.

State of Louisiana School Employees' Retirement System (LSERS):

- There were no changes of benefit terms for the years ended June 30, 2018, 2017, 2016, and 2015

Louisiana State Employees' Retirement System (LASERS):

- A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and,
- Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014
- A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
- Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

Changes in Assumptions

Teachers' Retirement System of Louisiana (TRSL):

- Assumptions regarding the discount rate changed from 7.75% to 7.70% in performing the June 30, 2017 valuation (used to measure the June 30, 2018 net pension liability).

State of Louisiana School Employees' Retirement System (LSERS):

- Assumptions regarding the discount rate changed from 7.00% to 7.125% in performing the June 30, 2016 valuation (used to measure the June 30, 2017 net pension liability).
- Assumptions regarding the discount rate changed from 7.25% to 7.00% in performing the June 30, 2015 valuation (used to measure the June 30, 2016 net pension liability).

Louisiana State Employees' Retirement System (LASERS):

- Assumptions regarding the investment rate of return changed from 7.75% to 7.70% in performing the June 30, 2017 valuation (used to measure the June 30, 2018 net pension liability).
- Assumptions regarding the inflation rate changed from 2.75% to 3.0% in performing the June 30, 2017 valuation (used to measure the June 30, 2018 net pension liability).
- Assumptions regarding salary increases changed from 3.6% (lower rang)/14.5% (upper range) to 3.4% (lower rang)/14.3% (upper range) in performing the June 30, 2017 valuation (used to measure the June 30, 2018 net pension liability).
- There were no changes of benefit assumptions for the years ended June 30, 2017, 2016, and 2015.

See independent auditor's report.

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
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

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 4)

1. We selected a random sample of 25 transactions, reviewed supporting documentation, and observed that 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)

Class Size Characteristics (Schedule 5)

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

(No Differences Noted)

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

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

(No Differences Noted)

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

(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,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 26, 2018

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

FOR THE YEAR ENDED JUNE 30, 2018

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 75,132,905	
Other Instructional Staff Activities	9,003,296	
Instructional Staff Employee Benefits	42,528,025	
Purchased Professional and Technical Services	470,255	
Instructional Materials and Supplies	6,837,542	
Instructional Equipment	<u>18,599</u>	
Total Teacher and Student Interaction Activities		\$ 133,990,622
Other Instructional Activities		1,263,184
Pupil Support Services	12,912,781	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		12,912,781
Instructional Staff Services	5,924,067	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		5,924,067
School Administration	14,347,199	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>14,347,199</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 168,437,853</u>
Total General Fund Equipment Expenditures		<u>\$ 828,502</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2018

Certain Local Revenue Sources

Local Taxation Revenue:

Ad valorem Taxes

Constitutional Ad Valorem Taxes	\$ 1,664,987
Renewable Ad Valorem Tax	3,633,619
Debt Service Ad Valorem Tax	6,626,068
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	567,928
Sales and Use Taxes	48,816,135
Total Local Taxation Revenue	<u>\$ 61,308,737</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 2,701
Earnings from Other Real Property	6,220
Total Local Earnings on Investment in Real Property	<u>\$ 8,921</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 164,211
Revenue Sharing - Other Taxes	582,477
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 746,688</u>

Nonpublic Textbook Revenue

\$ 5,114

Nonpublic Transportation Revenue

\$ -

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	46.0%	1,298	50.0%	1,401	4.0%	90	0.0%	3
Elementary Activity Classes	31.0%	166	64.0%	343	5.0%	27	0.0%	1
Middle/Jr. High	35.0%	501	34.0%	489	30.0%	421	1.0%	17
Middle/Jr. High Activity Classes	26.0%	77	25.0%	75	24.0%	71	25.0%	73
High	58.0%	1,885	23.0%	758	18.0%	599	1.0%	20
High Activity Classes	78.0%	546	12.0%	81	6.0%	48	4.0%	29
Combination	82.0%	374	13.0%	59	5.0%	25	0.0%	-
Combination Activity Classes	79.0%	73	10.0%	9	9.0%	8	2.0%	2

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 independent 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, 2018

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 511,701	\$ 1,901,032	\$ 609,898	\$ 682,035	\$ 90,699	\$ 184,868
Receivables	7,621	6,160	4,189	1,924	709	1,224
Total Assets	\$ 519,322	\$ 1,907,192	\$ 614,087	\$ 683,959	\$ 91,408	\$ 186,092
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ 3,816	\$ 1,792,241	\$ 14,502	\$ 222,632	\$ 356	\$ 73,277
Total Liabilities	3,816	1,792,241	14,502	222,632	356	73,277
Fund Equity:						
Fund Balances:						
Committed To:						
Contracts	-	114,951	599,585	461,327	19,033	-
Assigned To:						
Capital Projects	515,506	-	-	-	72,019	112,815
Total Fund Equity	515,506	114,951	599,585	461,327	91,052	112,815
Total Liabilities and Fund Equity	\$ 519,322	\$ 1,907,192	\$ 614,087	\$ 683,959	\$ 91,408	\$ 186,092

See independent auditor's report.

Schedule 6

SCHOOL DISTRICTS				TOTAL CAPITAL PROJECTS
NO. 27	NO. 31	NO. 32	NO. 33	
\$ 755,981	\$ 514,544	\$ 244,983	\$ 334,621	\$ 5,830,362
<u>1,283</u>	<u>354</u>	<u>852</u>	<u>383</u>	<u>24,699</u>
<u>\$ 757,264</u>	<u>\$ 514,898</u>	<u>\$ 245,835</u>	<u>\$ 335,004</u>	<u>\$ 5,855,061</u>
\$ <u>644</u>	\$ <u>175</u>	\$ <u>425</u>	\$ <u>14,810</u>	\$ <u>2,122,878</u>
644	175	425	14,810	2,122,878
246,202	262,440	-	320,194	2,023,732
<u>510,418</u>	<u>252,283</u>	<u>245,410</u>	<u>-</u>	<u>1,708,451</u>
<u>756,620</u>	<u>514,723</u>	<u>245,410</u>	<u>320,194</u>	<u>3,732,183</u>
<u>\$ 757,264</u>	<u>\$ 514,898</u>	<u>\$ 245,835</u>	<u>\$ 335,004</u>	<u>\$ 5,855,061</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, 2018

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 780,518	\$ 631,084	\$ 429,194	\$ 197,113	\$ 72,608	\$ 125,526
Interest Earnings	22,844	18,806	12,925	5,850	2,111	3,807
State Sources:						
Unrestricted						
Grants-in-Aid	74,834	60,498	41,141	18,897	6,962	12,032
Total Revenues	878,196	710,388	483,260	221,860	81,681	141,365
Expenditures:						
Support Services:						
General Administration	33,284	24,840	16,892	7,759	2,859	4,940
Capital Outlay	628,816	14,361,001	1,184,294	282,846	297,956	469,779
Total Expenditures	662,100	14,385,841	1,201,186	290,605	300,815	474,719
Excess (Deficiency) of Revenues over Expenditures	216,096	(13,675,453)	(717,926)	(68,745)	(219,134)	(333,354)
Other Financing Sources:						
Transfers In	-	6,500,000	725,000	70,000	125,000	75,000
Total Other Financing Sources	-	6,500,000	725,000	70,000	125,000	75,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	216,096	(7,175,453)	7,074	1,255	(94,134)	(258,354)
Fund Balances at Beginning of Year	299,410	\$ 7,290,404	\$ 592,511	\$ 460,072	\$ 185,186	\$ 371,169
Fund Balances at End of Year	\$ 515,506	\$ 114,951	\$ 599,585	\$ 461,327	\$ 91,052	\$ 112,815

See independent auditor's report.

Schedule 7

SCHOOL DISTRICTS				TOTAL CAPITAL PROJECTS FUND
NO. 27	NO. 31	NO. 32	NO. 33	
\$ 131,581	\$ 36,181	\$ 87,301	\$ 39,235	\$ 2,530,341
3,920	1,062	2,610	1,219	75,154
<u>12,614</u>	<u>3,469</u>	<u>8,369</u>	<u>3,760</u>	<u>242,576</u>
148,115	40,712	98,280	44,214	2,848,071
5,179	1,424	3,436	1,544	102,157
<u>644</u>	<u>177</u>	<u>183,276</u>	<u>14,810</u>	<u>17,423,599</u>
<u>5,823</u>	<u>1,601</u>	<u>186,712</u>	<u>16,354</u>	<u>17,525,756</u>
142,292	39,111	(88,432)	27,860	(14,677,685)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,495,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,495,000</u>
142,292	39,111	(88,432)	27,860	(7,182,685)
\$ <u>614,328</u>	\$ <u>475,612</u>	\$ <u>333,842</u>	\$ <u>292,334</u>	<u>10,914,868</u>
\$ <u><u>756,620</u></u>	\$ <u><u>514,723</u></u>	\$ <u><u>245,410</u></u>	\$ <u><u>320,194</u></u>	\$ <u><u>3,732,183</u></u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

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

LIVINGSTON PARISH SCHOOL BOARD

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

ASSETS	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Title 1	Special Education	Maintenance of Schools	School Lunch
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,155,277	\$ 1,681,912
Receivables	2,642,627	2,054,642	34,588	68,691
Inventory	-	-	-	276,407
 Total Assets	 \$ 2,642,627	 \$ 2,054,642	 \$ 3,189,865	 \$ 2,027,010
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 121,824	\$ 247,494	\$ 334,567	\$ 404,790
Due to Other Funds	2,520,803	1,807,148	-	-
Total Liabilities	2,642,627	2,054,642	334,567	404,790
Fund Equity:				
Fund Balances - Nonspendable:				
Inventory	-	-	-	276,407
Restricted For:				
Debt Service	-	-	-	-
Maintenance of Schools	-	-	2,554,348	-
Committed To:				
Contracts	-	-	300,950	-
Assigned To:				
School Lunch Program	-	-	-	1,345,813
Total Fund Balances	-	-	2,855,298	1,622,220
Total Liabilities and Fund Equity	\$ 2,642,627	\$ 2,054,642	\$ 3,189,865	\$ 2,027,010

See independent auditor's report.

Schedule 8

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 5,679,461	\$ 10,516,650
1,300,899	525,555	242,999	6,870,001
-	-	-	276,407
\$ 1,300,899	\$ 525,555	\$ 5,922,460	\$ 17,663,058
\$ 374,435	\$ 56,591	\$ -	\$ 1,539,701
926,464	468,964	-	5,723,379
1,300,899	525,555	-	7,263,080
-	-	-	276,407
-	-	5,922,460	5,922,460
-	-	-	2,554,348
-	-	-	300,950
-	-	-	1,345,813
-	-	5,922,460	10,399,978
\$ 1,300,899	\$ 525,555	\$ 5,922,460	\$ 17,663,058

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

SPECIAL REVENUE FUNDS

	Elementary and Secondary Education Act Title 1	Special Education	Maintenance of Schools	School Lunch
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ 3,542,525	\$ -
Sales Taxes	-	-	-	-
Interest Earnings	-	-	36,790	135
Food Services	-	-	-	360,286
Other	-	-	-	174,676
State Sources - Unrestricted:				
Grants-in-Aid	-	-	235,586	402,250
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	304,145	316,039	-	-
Restricted Grants-in-Aid - Subgrants	5,599,743	5,834,850	-	13,781,996
Other - Commodities	-	-	-	967,498
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	5,903,888	6,150,889	3,814,901	15,686,841
Expenditures:				
Instruction:				
Regular Programs	-	-	1,498	-
Special Programs	-	1,864,536	-	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	5,182,832	20,216	-	-
Support Services:				
Pupil Support	-	2,022,538	-	-
Instructional Staff Support	332,840	1,858,743	-	-
General Administration	-	-	139,440	-
School Administration	-	-	-	-
Business Services	-	-	-	-
Plant Services	-	3,974	4,426,486	-
Transportation Services	-	29,619	-	-
Food Services	-	-	-	14,472,827

(CONTINUED)

Schedule 9

SPECIAL REVENUE FUNDS

<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 6,626,068	\$ 10,168,593
-	-	2,086,800	2,086,800
-	-	117,870	154,795
-	-	-	360,286
-	-	-	174,676
-	-	-	637,836
88,640	72,653	-	781,477
2,097,233	1,377,361	-	28,691,183
-	-	-	967,498
2,185,873	1,450,014	8,830,738	44,023,144
65,090	-	-	66,588
-	-	-	1,864,536
323,246	-	-	323,246
110,610	-	-	110,610
1,535,367	577,558	-	7,315,973
56,339	97,595	-	2,176,472
1,009	666,208	-	2,858,800
-	-	260,895	400,335
-	-	-	-
490	-	-	490
-	36,000	-	4,466,460
2,479	-	-	32,098
-	-	-	14,472,827

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

SPECIAL REVENUE FUNDS

	Elementary and Secondary Education Act Title 1	Special Education	Maintenance of Schools	School Lunch
Expenditures (Continued):				
Community Service Programs	84,071	18,524	-	-
Capital Outlay	-	16,700	1,831,053	93,000
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	<u>5,599,743</u>	<u>5,834,850</u>	<u>6,398,477</u>	<u>14,565,827</u>
Excess (Deficiency) of Revenues Over Expenditures	304,145	316,039	(2,583,576)	1,121,014
Other Financing Sources (Uses):				
Transfers In	-	-	2,595,000	-
Transfers Out	<u>(304,145)</u>	<u>(316,039)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(304,145)</u>	<u>(316,039)</u>	<u>2,595,000</u>	<u>-</u>
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	11,424	1,121,014
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>2,843,874</u>	<u>501,206</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,855,298</u>	<u>\$ 1,622,220</u>

See independent auditor's report.

Schedule 9
(Continued)

SPECIAL REVENUE FUNDS

<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
-	-	-	102,595
30,757	-	-	1,971,510
-	-	7,661,665	7,661,665
-	-	3,934,288	3,934,288
<u>2,125,387</u>	<u>1,377,361</u>	<u>11,856,848</u>	<u>47,758,493</u>
60,486	72,653	(3,026,110)	(3,735,349)
28,154	-	4,162,414	6,785,568
<u>(88,640)</u>	<u>(72,653)</u>	<u>-</u>	<u>(781,477)</u>
<u>(60,486)</u>	<u>(72,653)</u>	<u>4,162,414</u>	<u>6,004,091</u>
-	-	1,136,304	2,268,742
-	-	4,786,156	8,131,236
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,922,460</u>	<u>\$ 10,399,978</u>

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 5,162,293	\$ 6,846,336	\$ 5,903,888	\$ (942,448)
Total Revenues	5,162,293	6,846,336	5,903,888	(942,448)
Expenditures:				
Instruction - Other Programs	3,963,324	5,528,702	5,182,832	345,870
Support Services:				
Instructional Staff Support	858,623	880,727	332,840	547,887
Community Services Programs	75,000	85,000	84,071	929
Total Expenditures	4,896,947	6,494,429	5,599,743	894,686
Excess of Revenues Over Expenditures	265,346	351,907	304,145	(47,762)
Other Financing Sources (Uses):				
Transfers Out	(265,346)	(351,907)	(304,145)	47,762
Total Other Financing Sources (Uses)	(265,346)	(351,907)	(304,145)	47,762
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See independent 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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 5,071,857	\$ 9,635,280	\$ 6,150,889	\$ (3,484,391)
Total Revenues	5,071,857	9,635,280	6,150,889	(3,484,391)
Expenditures:				
Instruction:				
Other Programs	6,402	23,156	20,216	2,940
Special Programs	1,058,103	4,888,829	1,864,536	3,024,293
Support Services:				
Pupil Support	2,039,973	2,097,179	2,022,538	74,641
Instructional Staff Support	1,670,141	2,020,943	1,858,743	162,200
Plant Services	1,000	10,000	3,974	6,026
Transportation Services	6,898	21,898	29,619	(7,721)
Community Service Programs	20,000	30,000	18,524	11,476
Capital Outlay	10,000	50,000	16,700	33,300
Total Expenditures	4,812,517	9,142,005	5,834,850	3,307,155
Excess of Revenues Over Expenditures	259,340	493,275	316,039	(177,236)
Other Financing Sources (Uses):				
Transfers Out	(259,340)	(493,275)	(316,039)	177,236
Total Other Financing Sources (Uses)	(259,340)	(493,275)	(316,039)	177,236
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See independent 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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 3,375,000	\$ 3,515,000	\$ 3,542,525	\$ 27,525
Interest Earnings	22,499	35,000	36,790	1,790
State Sources:				
Unrestricted:				
Grants-in-Aid	231,854	235,586	235,586	-
Total Revenues	3,629,353	3,785,586	3,814,901	29,315
Expenditures:				
Instruction:				
Regular Programs	130,000	90,000	1,498	88,502
Support Services:				
General Administration	134,361	139,440	139,440	-
Plant Services	3,932,453	7,854,250	4,426,486	3,427,764
Capital Outlay	402,000	529,500	1,831,053	(1,301,553)
Total Expenditures	4,598,814	8,613,190	6,398,477	2,214,713
Excess (Deficiency) of Revenues Over Expenditures	(969,461)	(4,827,604)	(2,583,576)	2,244,028
Other Financing Sources:				
Transfers In	605,000	3,915,000	2,595,000	(1,320,000)
Total Other Financing Sources	605,000	3,915,000	2,595,000	(1,320,000)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(364,461)	(912,604)	11,424	924,028
Fund Balance at Beginning of Year	2,843,874	2,843,874	2,843,874	-
Fund Balance at End of Year	\$ 2,479,413	\$ 1,931,270	\$ 2,855,298	\$ 924,028

See independent 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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Interest Earnings	\$ 300	\$ 300	\$ 135	\$ (165)
Food Services	517,040	505,040	360,286	(144,754)
Other	176,840	166,000	174,676	8,676
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	13,235,100	13,881,972	13,781,996	(99,976)
Other - Commodities	976,067	976,067	967,498	(8,569)
Total Revenues	<u>15,307,597</u>	<u>15,931,629</u>	<u>15,686,841</u>	<u>(244,788)</u>
Expenditures:				
Support Services:				
Food Services	13,508,895	14,319,448	14,472,827	(153,379)
Capital Outlay	-	93,000	93,000	-
Total Expenditures	<u>13,508,895</u>	<u>14,412,448</u>	<u>14,565,827</u>	<u>(153,379)</u>
Deficiency of Revenues Over Expenditures	1,798,702	1,519,181	1,121,014	(398,167)
Other Financing Sources:				
Transfers In	-	-	-	-
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	1,798,702	1,519,181	1,121,014	(398,167)
Fund Balance at Beginning of Year	<u>501,206</u>	<u>501,206</u>	<u>501,206</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,299,908</u>	<u>\$ 2,020,387</u>	<u>\$ 1,622,220</u>	<u>\$ (398,167)</u>

See independent 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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,572,421	\$ 2,495,475	\$ 2,185,873	\$ (309,602)
Total Revenues	1,572,421	2,495,475	2,185,873	(309,602)
Expenditures:				
Instruction:				
Regular Programs	-	-	65,090	(65,090)
Vocational Programs	265,517	312,087	323,246	(11,159)
Adult and Continuing Education Program	121,230	110,746	110,610	136
Other Programs	1,054,587	1,817,517	1,535,367	282,150
Support Services:				
Pupil Support	38,246	60,746	56,339	4,407
Instructional Staff Support	25,569	69,776	1,009	68,767
Business Services	630	630	490	140
Transportation Services	2,561	2,560	2,479	81
Capital Outlay	-	12,925	30,757	(17,832)
Total Expenditures	1,508,340	2,386,987	2,125,387	261,600
Excess of Revenues Over Expenditures	64,081	108,488	60,486	(48,002)
Other Financing Sources (Uses):				
Transfers In	-	-	28,154	28,154
Transfers Out	(64,081)	(108,488)	(88,640)	19,848
Total Other Financing Sources (Uses)	(64,081)	(108,488)	(60,486)	48,002
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See independent 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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,501,142	\$ 2,789,804	\$ 1,450,014	\$ (1,339,790)
Total Revenues	1,501,142	2,789,804	1,450,014	(1,339,790)
Expenditures:				
Instruction:				
Other Programs	561,770	905,185	577,558	327,627
Support Services:				
Pupil Support	103,166	96,772	97,595	(823)
Plant Services	42,000	42,000	36,000	6,000
Instructional Staff Support	718,701	1,604,430	666,208	938,222
Total Expenditures	1,425,637	2,648,387	1,377,361	1,271,026
Excess of Revenues Over Expenditures	75,505	141,417	72,653	(68,764)
Other Financing Sources (Uses):				
Transfers Out	(75,505)	(141,417)	(72,653)	68,764
Total Other Financing Sources (Uses)	(75,505)	(141,417)	(72,653)	68,764
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2018

ASSETS	SCHOOL DISTRICTS						
	NO. 1	NO. 4	NO. 4-1	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 563,656	\$ 613,022	\$ 1,591,976	\$ 2,249,954	\$ 182,637	\$ 60,316	\$ 62,014
Sales Tax Receivable	-	-	-	177,552	-	-	-
Due from Other Government	35,403	7,603	14,089	7,614	38	-	-
Total Assets	\$ 599,059	\$ 620,625	\$ 1,606,065	\$ 2,435,120	\$ 182,675	\$ 60,316	\$ 62,014
LIABILITIES AND FUND EQUITY							
Accounts, Salaries and Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
Fund Equity - Fund Balances: Restricted For:							
Debt Service	599,059	620,625	1,606,065	2,435,120	182,675	60,316	62,014
Total Fund Equity	599,059	620,625	1,606,065	2,435,120	182,675	60,316	62,014
Total Liabilities and Fund Equity	\$ 599,059	\$ 620,625	\$ 1,606,065	\$ 2,435,120	\$ 182,675	\$ 60,316	\$ 62,014

See independent auditor's report.

Schedule 11

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND
NO. 27A	NO. 31	NO. 32A	NO. 33	
\$ 91,631	\$ 87,755	\$ 31,395	\$ 145,105	\$ 5,679,461
-	-	-	-	177,552
-	-	-	700	65,447
\$ 91,631	\$ 87,755	\$ 31,395	\$ 145,805	\$ 5,922,460
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
91,631	87,755	31,395	145,805	5,922,460
91,631	87,755	31,395	145,805	5,922,460
\$ 91,631	\$ 87,755	\$ 31,395	\$ 145,805	\$ 5,922,460

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, 2018

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 4-1	NO. 22	NO. 24	NO. 25
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 2,252,717	\$ 1,089,154	\$ 1,961,444	\$ 1,182,272	\$ 633	\$ -
Sales Taxes	-	-	-	2,086,800	-	-
Other	-	-	-	-	-	-
Interest Earnings	38,531	14,826	15,989	18,930	7,697	2,434
Total Revenues	<u>2,291,248</u>	<u>1,103,980</u>	<u>1,977,433</u>	<u>3,288,002</u>	<u>8,330</u>	<u>2,434</u>
Expenditures:						
Support Service:						
General Administration	88,304	42,955	77,370	46,897	-	-
Debt Service:						
Principal Retirement	3,455,000	1,675,000	430,000	1,930,000	-	-
Interest and Bank Charges	1,779,899	257,845	856,363	999,641	-	-
Total Expenditures	<u>5,323,203</u>	<u>1,975,800</u>	<u>1,363,733</u>	<u>2,976,538</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(3,031,955)	(871,820)	613,700	311,464	8,330	2,434
Other Financing Sources:						
Transfers In	3,280,249	812,000	-	-	-	-
Total Other Financing Sources	<u>3,280,249</u>	<u>812,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	248,294	(59,820)	613,700	311,464	8,330	2,434
Fund Balances at Beginning of Year	<u>350,765</u>	<u>\$ 680,445</u>	<u>\$ 992,365</u>	<u>\$ 2,123,656</u>	<u>\$ 174,345</u>	<u>\$ 57,882</u>
Fund Balances at End of Year	<u>\$ 599,059</u>	<u>\$ 620,625</u>	<u>\$ 1,606,065</u>	<u>\$ 2,435,120</u>	<u>\$ 182,675</u>	<u>\$ 60,316</u>

See independent auditor's report.

Schedule 12

SCHOOL DISTRICTS					TOTAL DEBT SERVICE FUND
NO. 26	NO. 27A	NO. 31	NO. 32A	NO. 33	
\$ -	\$ 1,409	\$ -	\$ 2,385	\$ 136,054	\$ 6,626,068
-	-	-	-	-	2,086,800
-	-	-	-	-	-
<u>4,271</u>	<u>6,153</u>	<u>1,217</u>	<u>5,842</u>	<u>1,980</u>	<u>117,870</u>
4,271	7,562	1,217	8,227	138,034	8,830,738
-	-	-	-	5,369	260,895
-	-	66,665	-	105,000	7,661,665
-	-	3,500	-	37,040	3,934,288
<u>-</u>	<u>-</u>	<u>70,165</u>	<u>-</u>	<u>147,409</u>	<u>11,856,848</u>
4,271	7,562	(68,948)	8,227	(9,375)	(3,026,110)
<u>-</u>	<u>-</u>	<u>70,165</u>	<u>-</u>	<u>-</u>	<u>4,162,414</u>
<u>-</u>	<u>-</u>	<u>70,165</u>	<u>-</u>	<u>-</u>	<u>4,162,414</u>
4,271	7,562	1,217	8,227	(9,375)	1,136,304
<u>\$ 57,743</u>	<u>\$ 84,069</u>	<u>\$ 86,538</u>	<u>\$ 23,168</u>	<u>\$ 155,180</u>	<u>4,786,156</u>
<u>\$ 62,014</u>	<u>\$ 91,631</u>	<u>\$ 87,755</u>	<u>\$ 31,395</u>	<u>\$ 145,805</u>	<u>\$ 5,922,460</u>

FIDUCIARY FUNDS

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

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

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

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total Fiduciary Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,599,904	\$ 4,361,241	\$ 10,961,145
Total Assets	<u>\$ 6,599,904</u>	<u>\$ 4,361,241</u>	<u>\$ 10,961,145</u>
LIABILITIES			
Amounts Held for School Activities	\$ 6,599,904	\$ -	\$ 6,599,904
Deposits Due to Others	<u>-</u>	<u>4,361,241</u>	<u>4,361,241</u>
Total Liabilities	<u>\$ 6,599,904</u>	<u>\$ 4,361,241</u>	<u>\$ 10,961,145</u>

See independent 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, 2018

School	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Albany High	\$ 125,935	\$ 558,127	\$ 546,793	\$ 137,269
Albany Middle School	155,491	252,688	233,666	174,513
Albany Upper Elementary	30,289	87,436	86,839	30,886
Albany Lower Elementary	77,069	124,093	138,644	62,518
Denham Springs High	385,217	1,745,029	1,661,447	468,799
Denham Springs Freshman High	174,520	197,495	199,092	172,923
Denham Springs Junior High	256,172	552,945	541,062	268,055
Denham Springs Elementary	93,293	118,023	109,599	101,717
Doyle High	146,219	385,486	356,643	175,062
Doyle Elementary	122,264	133,303	129,847	125,720
Eastside Elementary	140,266	157,173	150,005	147,434
French Settlement High	203,937	385,488	421,886	167,539
French Settlement Elementary	164,347	59,713	71,846	152,214
Freshwater Elementary	67,326	122,304	100,653	88,977
Frost Elementary	69,170	171,529	147,441	93,258
Gray's Creek Elementary	86,913	178,970	174,159	91,724
Holden High	158,596	353,753	352,769	159,580
Juban Parc Junior High	142,145	211,736	195,042	158,839
Juban Parc Elementary	101,150	156,021	182,154	75,017
Levi Milton Elementary	101,460	191,300	178,943	113,817
Lewis Vincent Elementary	94,979	112,669	108,332	99,316
Live Oak High	565,298	1,529,868	1,449,266	645,900
Live Oak Junior High	-	936,419	648,699	287,720
Live Oak Middle School	377,980	321,498	597,699	101,779
Live Oak Elementary	100,299	171,493	152,962	118,830
Livingston Parish Literary & Tech Center	17,738	64,916	63,548	19,106

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2018

<u>School</u>	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Maurepas High	78,563	225,251	229,526	74,288
North Corbin Junior High	197,633	287,867	298,671	186,829
North Corbin Elementary	173,849	145,642	145,115	174,376
North Live Oak Elementary	97,032	211,737	219,946	88,823
Northside Elementary	71,773	103,781	99,664	75,890
Pathways Center	6,846	22,334	20,443	8,737
Pine Ridge School	25,378	29,947	34,237	21,088
Seventh Ward Elementary	77,039	126,510	116,145	87,404
South Fork Elementary	44,873	149,416	166,110	28,179
South Live Oak Elementary	156,886	220,287	201,953	175,220
South Walker Elementary	144,630	203,951	205,377	143,204
Southside Junior High	129,479	287,877	287,113	130,243
Southside Elementary	142,662	89,030	97,375	134,317
Springfield High	127,041	496,718	460,853	162,906
Springfield Middle School	166,923	178,109	183,841	161,191
Springfield Elementary	104,782	119,019	118,496	105,305
Walker High	171,619	1,373,416	1,307,033	238,002
Walker Freshman High	85,271	117,362	104,421	98,212
Walker Elementary School	156,519	140,114	132,043	164,590
Westside Junior High School	81,244	367,226	345,882	102,588
Total	<u>\$ 6,198,115</u>	<u>\$ 14,175,069</u>	<u>\$ 13,773,280</u>	<u>\$ 6,599,904</u>

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2018

	Sales Tax Fund
Deposits Due Others at Beginning of Year	\$ 4,433,702
Additions:	
Sales Tax Collections	103,036,338
Deductions:	
Transfers to:	
General Fund:	
Sales Tax	46,694,091
District No. 33	113,683
Sales Tax Collection Fee	1,041,143
Debt Service - District No. 22	2,088,894
Livingston Parish Sheriff	9,348,352
Livingston Parish Council	18,317,300
Livingston Parish Tourist Commission	321,139
Livingston Parish Drainage Districts:	
No. 1	1,722,898
No. 2	1,049,549
No. 5	1,799,035
City of Denham Springs	7,846,054
Denham Springs Economic Development District	4,263,295
Juban Crossing Economic Development District	3,038,466
City of Walker	4,059,825
Town of Livingston	544,502
Town of Springfield	400,601
Village of Albany	399,729
Refunds to Vendors	60,243
Total Reductions	<u>103,108,799</u>
Deposits Due Others at End of Year	\$ <u><u>4,361,241</u></u>

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2018

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

Term of Current Board Expires December 31, 2018.

*Received Board President Supplement since January 1, 2011.

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
SUPERINTENDENT

FOR THE YEAR ENDED JUNE 30, 2018

Agency Head: Homer Wentzel, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 134,977
Benefits - Insurance	6,081
Benefits - Medicare	1,928
Benefits - Retirement	6,881
Travel	2,867
Registration fees	1,359
Conference travel	1,807
Professional Organization Membership Fees	1,125
	<u>\$ 157,025</u>

In accordance with Louisiana Revised Statute 24:513A, the above is a schedule of compensation, benefits, and other payments received by the acting agency head for the year ended June 30, 2018.

See independent auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

<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	\$ 967,498
Passed Through Louisiana Department of Education:			
National Breakfast Program [1]	10.553	N/A	3,827,896
National School Lunch Program [1]	10.555	N/A	9,835,427
National Afterschool Snack Program [1]	10.555	N/A	4,745
After School Supper Program	10.558	N/A	10,083
Summer Breakfast Program [1]	10.559	N/A	43,329
Summer Lunch Program [1]	10.559	N/A	60,516
Distance Learning and Telemedicine Loans and Grants	10.855	N/A	<u>54,768</u>
Total United States Department of Agriculture			14,804,262
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	110,644
Federal Leadership	84.002A	N/A	6,360
Educationally Deprived Children - Local Educational Agencies: IASA Title I [2]	84.010A	05-IASA-32-1	5,903,888
Handicapped State Grants: Special Education IDEA [3]	84.027A	05-FT-32	6,145,354
Vocational Education - Basic Grants to States	84.048	N/A	339,257

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education (Continued)</u>			
Handicapped - Preschool Grants:			
Preschool Flow-thru [3]	84.173A	N/A	79,760
Advanced Placement Fee Reimbursement	84.330	N/A	26,447
Title II - Improving Teacher Quality - State Grants	84.367A	N/A	1,260,718
Title III-Immigrant Set Aside	84.365A	N/A	8,882
Other NCLB Programs	84.365A	N/A	59,039
Striving Readers K-5	84.371C	N/A	361,394
Striving Readers Birth-5	84.371C	N/A	85,507
Title IV – Student Support and Academic	84.424A	N/A	<u>121,375</u>
Total Passed Through Louisiana Department of Education			14,508,625
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
Early Childhood Pilot Cohort 3	93.575	N/A	5,535
Early Childhood Lead Agency	93.575	N/A	23,356
LA 4 [4]	93.558	N/A	<u>1,098,380</u>
Total United States Department of Health and Human Services			<u>1,127,271</u>
<u>United States Department of Homeland Security</u>			
Passed Through Louisiana Governor’s Office of Homeland Security and Emergency Preparedness:			
Disaster Grant – Public Assistance	97.036	N/A	<u>18,238,442</u>
Total United States Department of Homeland Security			<u>18,238,442</u>
Total Expenditures of Federal Awards			<u><u>\$48,678,600</u></u>

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

See accompanying notes to Schedule of Expenditures of Federal Awards.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

Note A - Significant Accounting Policies -

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

Note B - Food Distribution Program

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2018, the Livingston Parish School Board had food commodities totaling \$37,650 in inventory.

Note C - Indirect Cost Rate Election

The School Board did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2018.

Note D – Disaster Grants – Public Assistance (Presidentially Declared Disaster) CFDA No. 97.036

Non-Federal entities must record expenditures on the Schedule of Federal Awards (SEFA) when: (1) Federal Emergency Management Agency (FEMA) has approved the non-Federal entity's project worksheet (PW) and (2) the non-Federal entity has incurred the eligible expenditures.

In 2018, FEMA approved \$18,017,056 of eligible expenditures that were incurred in the prior year and are included on the SEFA. The expenditures were related to the August 2016 flood event.

See independent 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

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the budgetary comparison statement of Disaster Special Revenue Fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board (the School Board), Livingston, Louisiana, as of and for the year ended June 30, 2018, 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 26, 2018.

Internal Control Over Financial Reporting

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

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

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

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 reports under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 26, 2018

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

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
650 Poydras Street, Suite 1200 • New Orleans, LA 70130
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

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

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

Report on Compliance for Each Major Federal Program

We have audited Livingston Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Livingston Parish School Board's major federal programs for the year ended June 30, 2018. Livingston Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Disclaimer of Opinion on CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Board with CFDA No. 93.558 TANF - LA 4 as described in finding number 2018-01 for Eligibility, consequently we were unable to determine whether the School Board complied with those requirements applicable to that program.

Disclaimer of Opinion on CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4

Because of the significance of the matter described in the “*Basis for Disclaimer of Opinion on CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4*” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the School Board’s compliance with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4 for the year ended June 30, 2018. Accordingly, we do not express an opinion on the School Board’s compliance with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questions costs for the year ended June 30, 2018.

Other Matters

The School Board’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questions costs. The School Board’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the 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 the School Board’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Livingston Parish School Board’s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-02 to be a material weakness.

The School Board's response to the internal control over compliance finding identified in our audit is described in the schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 26, 2018

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

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

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes x No

Other matter reported? _____ Yes x No

Federal Awards

Internal control over major programs:

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

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

Disclaimer of Opinion - CFDA No. 93.558

Unmodified Opinion - CFDA No. 10.553, 10.555, 10.559, and 84.371C

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? x Yes _____ No

Identification of major programs:

CFDA Numbers

Name of Federal Program

Child Nutrition Cluster

- 10.553 National Breakfast Program
- 10.555 National School Lunch Program
- 10.555 National Afterschool Snack Program
- 10.555 Non-Cash Assistance (Commodities)
- 10.559 Summer Breakfast Program
- 10.559 Summer Lunch Program

United States Department of Education

84.371C Striving Readers/Comprehensive Literacy Development

TANF Cluster

93.558 Early Childhood Lead Agency LA 4

- The threshold used for distinguishing between Type A and B programs was \$1,460,358.
- The School Board was determined to be a low-risk auditee.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

B. Findings – Financial Reporting

1. Internal Control Over Financial Reporting

None.

2. Compliance and Other Matters

None.

C. Findings – Federal Awards Programs

1. Internal Control Over Compliance of Federal Awards

Finding 2018-02 CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4 – Eligibility:

Criteria:

The School Board is required to maintain certain documentation that supports the review and approval of each applicant's eligibility for assistance by a designated School Board employee prior to determination of this assistance, for a period of no less than three years.

Condition:

While testing internal controls over compliance for eligibility, we were unable to obtain sufficient appropriate audit evidence to determine that a School Board employee reviewed and approved 9 of the 25 applicants' eligibility information that we had selected for testing.

Cause:

In discussions with the School Board's management, it was noted that some of the students' records were inadvertently destroyed after the end of the school year due to concerns that the information contained personal protected information.

Effect:

The School Board could not provide sufficient documentary evidence in order for us to fully test controls over the reviewing and approving of applicant's eligibility information. Since we could not test all students selected for testing, we could not determine if School Board controls were working properly.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

Recommendation:

The School Board has a document retention policy that meets or exceeds the requirements of the grant. Therefore, we recommend the School Board follow its document retention policy and make sure all administrators and providers of the grant are aware of the grant requirements and the School Board's policy.

Management's Response:

Management concurs with the recommendation and will make sure all administrators and providers of grants are aware of the grant requirements and the School Board's retention policy.

2. Compliance

Finding 2018-01 CFDA No. 93.558 Temporary Assistance for Needy Families – LA 4 – Eligibility:

Questioned Costs: Unknown

Criteria:

The School Board is required to maintain certain documentation to support eligibility determination of this assistance, including budget and reimbursement information, for a period of no less than three years per the grant agreement.

Condition:

We were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Board with the compliance requirement of eligibility for participants in the grant program. The School Board was not able to provide us sufficient appropriate audit evidence on 10 of the 60 students selected for testing in order for us to determine if they were eligible for the grant program. There were 431 participants in the grant program.

Cause:

In discussions with the School Board's management, it was noted that some of the students' records were inadvertently destroyed after the end of the school year due to concerns that the information contained personal protected information.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

Effect:

The School Board could not provide sufficient documentary evidence in order for us to fully test compliance with the eligibility requirements of the grant. Since we could not test all students selected for testing, we could not determine if School Board complied with eligibility compliance requirement of the grant.

Recommendation:

The School Board has a document retention policy that meets or exceeds the requirements of the grant. Therefore, we recommend the School Board follow its document retention policy and make sure all administrators and providers of the grant are aware of the grant requirements and the School Board's policy.

Management's Response:

Management concurs with the recommendation and will make sure all administrators and providers of grants are aware of the grant requirements and the School Board's retention policy.

D. Other Reporting Matters

None

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2018

A. Findings - Internal Control Over Financial Reporting

Finding 2017-01 Payroll Data Entry Review:

Criteria:

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

Condition:

During the prior year testing of payroll, we noted one employee's years of experience was incorrect by one year. The employee was set up at three years of experience when the actual years of experience was four. Due to the incorrect years of experience being set up, the employee was under paid \$729.

Effect:

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

Cause:

During 2017, management put in place a process to review payroll data entered on new hires. The above employee was an existing employee.

Recommendation:

While management has made improvements to the process, we continue to recommend that the School System improve its payroll data entry review process in order to minimize any opportunity for errors, irregularities or improprieties. One possible suggestion is that after the payroll accountant enters or makes changes to payroll data, a second individual would be required to review the changes. This review could be a real time review before any additional payroll processing occurs or it could be done on a regular scheduled basis, i.e. weekly review of payroll data input and changes. Some type of payroll exception or change report could aid in this process. We also recommend that management develop a process to review existing employee's payroll data to ensure its accuracy.

Management's Response:

During 2017, management put in place a process to review information entered on new hires. Management is currently evaluating a process to review information for existing employees.

Corrective Action:

During the current year audit, we did not note any differences.

B. Findings - Compliance and Other Matters

None

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

C. Other Reporting Matters

Matter 2017-02 Falsified Time Sheets and Mileage Claim Forms:

Criteria:

Payments for employee wages and reimbursement should be from legitimate records.

Condition:

A teacher in the Extended School Year (ESY) program submitted false time sheets and mileage claim forms for the time period of May 30, 2017 to July 19, 2017. As part of the ESY program, the supervisors communicate with parents whose children are participating in the program. Communication from a parent of one of the students taught by the teacher indicated that there may be discrepancies between the dates of services per the employee's time sheets and the actual dates of services. As part of the School Board's procedures, the School Board's Human Resources (HR) department started an investigation into the allegation on August 11, 2017. As part of the investigation, the HR department interviewed the employee on August 15, 2017. During the interview process, the employee admitted to the allegation and signed a statement admitting to the allegation. The employee's employment was terminated on August 17, 2017.

After the employee admitted to the allegation to the School Board's HR department, the employee turned themselves into the Livingston Parish Sheriff's office and set up a repayment plan to repay the amounts paid on the falsified time sheets and mileage claim forms. The Livingston Parish Sheriff's office determined that the amounts incorrectly paid on the falsified records was \$3,657.90. The former employee repaid \$1,648.38 and the School Board withheld/declined to pay the former employee \$2,009.52 for legitimate salary and travel expenses due the former employee at the time employment terminated. Restitution of the full amount of \$3,657.90 was received by the School Board.

The School Board sent certified letters to the 21st Judicial District Attorney's office and the Louisiana Legislative Auditor's office to inform them of the misappropriation. No formal charges have been brought against the former employee.

Cause and Effect:

Due to an employee submitting falsified records, the employee was paid wages and mileage reimbursements not due the employee.

Recommendation/Corrective Action:

The School Board identified the fraud in a timely manner. An internal investigation was completed, the employee's employment was terminated, and restitution was received. The School Board also notified the appropriate parties of the fraud. In addition to the current procedures, the School Board's supervisors are more closely monitoring schedules and locations. Also, the School Board is piloting a time clock system with GPS monitoring capabilities.

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

Management's Response:

Management concurred that the statements regarding this matter were correct and it will continue to monitor its internal controls to ensure the safeguarding of public funds.

Corrective Action:

During the current year audit, we did not note any such transactions.



Livingston Parish Public Schools

Excellence in Education!

13909 Florida Boulevard
P.O. Box 1130
Livingston, Louisiana 70754-1130
Phone: (225) 686-7044 Fax: (225) 686-3052
Website: www.lpsb.org

Homer "Rick" Wentzel
Superintendent

Steve Parrill
Assistant Superintendent

Alan "Joe" Murphy
Assistant Superintendent

December 12, 2018

Hannis T. Bourgeois, LLP, CPAs
178 Del Orleans Ave, Suite C
Denham Springs, LA 70726

Re: Livingston Parish School Board
Federal Awards Program Findings
Management Response

Finding 2018-01 TANF – LA4 – Eligibility compliance: Management concurs with the recommendation and will make sure all administrators and providers of grants are aware of the grant requirements and the School Board's retention policy.

Finding 2018-02 TANF – LA4 – Eligibility – Internal Controls: Management concurs with the recommendation and will make sure all administrators and providers of grants are aware of the grant requirements and the School Board's retention policy.

Sincerely,

Homer Wentzel, Superintendent

Terry Hughes, Business Manager