

LIVINGSTON PARISH SCHOOL BOARD

REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS

JUNE 30, 2013

LIVINGSTON, LOUISIANA

LIVINGSTON PARISH SCHOOL BOARD

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2013, 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. We have also audited the financial statements of each of the School Board's major capital projects fund combining statements, nonmajor governmental funds combining statements, each special revenue fund budgetary comparison statements and each fiduciary fund presented as supplementary schedules as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of June 30, 2013, 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. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major capital projects fund combining statements, nonmajor governmental funds combining statements, each special revenue funds budgetary comparison statements and each fiduciary fund of the Livingston Parish School Board as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Livingston Parish School Board's June 30, 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 27, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the Livingston Parish School Board's basic financial statements. The schedules required by state law, and the schedule of compensation paid to board members are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements.

The schedule of compensation paid to board members and the schedule of expenditures of federal awards 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 schedule of compensation paid to board members and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedules required by state law 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 16, 2013, 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,

Harold J. Bourgeois, CPA

Denham Springs, Louisiana
December 16, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

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, 2013. The intent of the MD&A is to look in layman's terms at the School System's financial performance as a whole. It should, therefore, be read in conjunction with the School System's Annual Financial Statements and the notes thereto.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year include the following:

- ❖ Net position increased by \$4,180,584 for the year ended June 30, 2013. As discussed below, the increase in net position was the result of an increase in total assets of \$376,158 coupled with a decrease in total liabilities of \$3,804,424.
- ❖ Total assets increased by \$376,158 attributed to the following elements:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Amount Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 69,458,072	\$ 75,763,382	\$ (6,305,310)	(8.32) %
Receivables	10,080,341	7,975,043	2,105,298	26.40 %
Inventory	1,577,921	1,258,868	319,053	25.34 %
Deferred Bond Issuance Costs	582,628	676,884	(94,256)	(13.92) %
Capital Assets, Net of Accumulated Depreciation	<u>195,222,958</u>	<u>190,871,585</u>	<u>4,351,373</u>	2.28 %
Total Assets	<u>\$ 276,921,920</u>	<u>\$ 276,545,762</u>	<u>\$ 376,158</u>	0.14 %

The main reason for the decrease in cash was due to current year construction expenditures paid from prior year bond proceeds in the Live Oak School District No. 22. Receivables increased due to an increase in amount due for federal and state grants/programs reimbursements. The inventory increase reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction within the Districts. Total capital outlay recorded in all funds in the current year amounted to \$11 million. At June 30, 2013, major incomplete construction projects in the Districts totaled \$1,465,962.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

During the current fiscal year, the School System purchased 24 buses/vehicles at a cost of \$430,000 and purchased other large equipment totaling over \$570,000.

- Total Liabilities decreased \$3,804,424 due to the following items:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Amount Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Accounts, Salaries, and Other Payables	\$ 27,600,349	\$ 30,062,913	\$ (2,462,564)	(8.19) %
Interest Payable	688,956	686,790	2,166	0.32 %
Long-Term Liabilities	<u>120,083,594</u>	<u>121,427,620</u>	<u>(1,344,026)</u>	(1.11) %
 Total Liabilities	 <u>\$148,372,899</u>	 <u>\$152,177,323</u>	 <u>\$ (3,804,424)</u>	 (2.50) %

General payables decreased mainly due to a reduction in accounts payable in the Capital Projects Fund as a result of projects being completed and in a reduction in estimated claims and judgment liability in the current year.

- General revenues increased by \$5,837,540 from fiscal year 2012 to fiscal year 2013. Primary increases and decreases are discussed below.
 - Property tax revenue levied increased \$286,615 (1.93%).
 - Sales and use tax revenue increased \$1,235,072 (3.56%).
 - Earnings on investments increased \$17,699 (2.64%).
 - Other local revenue decreased \$85,665 (23.72%).
 - The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$150,009,610. This is an increase of \$4,449,310 (3.06%) from the prior year, caused by a reduction in federal funding. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of general fund expenditures must be spent on instructional activities), and (50% of all new MFP money received must go to increase teacher salaries). However, in the 2009/10, 2010/11, 2011/12 and 2012/13 fiscal years, the State did not fund the 2.75% growth factor that is added into the MFP formula resulting in a loss of state revenue.
 - Other state revenue and grants increased \$1,305 (0.14%).
- The largest expenditure of the School System continues to be payroll. This includes increases in benefit costs, primarily employer contributions to the retirement systems. The next largest expenditure was construction costs which includes major additions and renovations to several facilities. Other large expenditures include the cost of fuel and food, the purchase of buses and maintenance vehicles, and the cost of other postemployment benefits.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. Beginning on page 20, the "Basic Financial Statements" Section, consisting of the Statement of Net Position and the Statement of Activities, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2012/2013 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

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

To provide more in-depth reporting of the School Board's financial position and the results of operations, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 22. The Fund Financial Statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as resources available for spending in future periods.

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

The Statement of Fiduciary Net Position - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2013.

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 21, the cost of the School Board's *governmental* activities for the year ended June 30, 2013 was \$227,178,997. However, not all of this cost was borne by

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

the taxpayers of Livingston Parish. Of this amount, \$4,948,779 was paid by those who used or benefited from services rendered (e.g., charges for school lunches and summer school tuition) and \$23,444,798 was paid through various federal and state grants. Consequently, the net cost of \$198,785,420, a 2.74% increase over the prior year, after taking into consideration these fees and subsidies, was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2013. 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, 2013 and 2012

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:				
Regular Education Programs	\$ 92,326,129	\$ 90,862,051	\$ 92,317,445	\$ 90,674,875
Special Education Programs	28,691,413	26,262,340	28,669,495	26,654,644
Other Instructional Programs	13,179,749	5,380,872	12,616,504	5,363,080
Support Services:				
Student Services	13,357,943	11,770,672	12,868,981	11,203,979
Instructional Staff Support	8,944,707	6,607,049	7,679,150	4,277,224
General & School				
Administration	20,145,718	19,119,630	19,261,067	18,405,699
Business & Central Services	4,173,464	3,478,802	4,143,723	3,454,795
Plant Services	17,983,099	17,578,416	16,168,595	15,815,395
Student Transportation	12,424,984	12,260,719	11,931,205	11,754,683
School Food Services	12,754,863	2,353,436	13,081,196	2,391,127
Community Service Programs	100,484	14,989	126,297	14,942
Interest on Long-Term Debt	3,096,444	3,096,444	3,464,444	3,464,444
Totals	<u>\$227,178,997</u>	<u>\$198,785,420</u>	<u>\$222,328,102</u>	<u>\$193,474,887</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

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, 2013, its combined fund balance was \$53,515,985, as compared to its combined fund balance of \$54,934,380 as of June 30, 2012, a decrease of \$1,418,395. The General Fund, the main operational arm of the School Board, saw its total fund balance (unassigned as well as nonspendable, restricted, and assigned) increase by \$3,423,792. While General Fund Revenues increased by \$6,110,136, General Fund Expenditures increased by \$5,809,642 and Other Financing Sources (Uses) (Transfers to Other Funds) decreased by \$1,323,837, thereby increasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$1,799,461 to \$3,423,792 a total increase of \$1,624,331.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on September 6, 2012, and the Final Budget was adopted June 20, 2013. The budget amendments increased total anticipated revenues by 1.83% and increased projected expenditures by 0.90%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year \$6,757,234 more than had been budgeted.

The fiscal year 2014 General Fund budget, adopted on September 5, 2013, anticipates revenues of \$201,808,123, projected expenditures of \$200,064,850, and net transfers out of \$4,361,839 resulting in a projected decrease of \$2,618,566 for the year. Transfers out include \$218,139 to the Capital Projects Fund, \$1,010,000 to Maintenance Fund, \$908,700 to the Sinking Fund (Debt Service) and \$2,225,000 to School Food Service Fund.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2013, the School Board had \$195,222,958 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, 2013 and 2012.

TABLE II

Net Capital Assets
at June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Land	\$ 11,363,861	\$ 11,363,861
Construction in Progress	1,465,962	33,437,317
Buildings and Improvement	171,637,169	134,659,659
Furniture and Equipment	2,312,857	2,357,617
Library Books and Textbooks	6,434,057	7,077,616
Vehicles	<u>2,009,052</u>	<u>1,975,515</u>
Total	<u>\$ 195,222,958</u>	<u>\$ 190,871,585</u>

During the current fiscal year, \$12,464,243 of assets were capitalized as additions while \$1,632,710 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2013 amounted to \$5,063,783 on buildings and improvements and \$2,969,411 on movables such as furniture, vehicles, and equipment.

During the fiscal year ended June 30, 2013, the following major construction projects were completed:

<u>Project</u>	<u>Total Cost of Project</u>
Denham Springs District No. 1	
Denham Springs High – Technology Building	\$ 3,803,476
Denham Springs Freshman High – Technology Building	4,227,185
Denham Springs High – Hornsby Gym Parking	463,800
Southside Elementary – Parking & Access	<u>65,562</u>
Total District No. 1	<u>8,560,023</u>
District 4:	
New South Fork Elementary – 2013 Additional Costs	70,946

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

<u>Project</u>	<u>Project Cost to June 30, 2013</u>	<u>Total Estimated Project Cost</u>
Holden District No. 25		
Holden High – Concession Stand & Parking Lot	27,759	77,177
French Settlement District No. 32		
French Settlement High – Hurricane Isaac Repairs	<u>364,440</u>	<u>380,066</u>
Grand Total Incomplete Construction Projects	<u>\$ 1,465,962</u>	<u>\$ 2,280,458</u>

All funding is coming from the individual districts except for the Live Oak District No. 22 in which \$30,000,000 in bonds were sold (\$20,000,000 in 2009/10 and \$10,000,000 in 2011/12) to fund the majority of the district's projects.

The School Board has no significant infrastructure assets which would require capitalization and depreciation. All parking lots, sidewalks, etc. are considered to be part of the cost of buildings, and depreciated with the buildings.

All depreciation of capital assets is under the straight-line method. Useful lives for buildings are for 40 years, while those for furniture, fixtures, vehicles and equipment vary for 5 to 10 years.

DEBT

At June 30, 2013, the School System had outstanding bonded indebtedness of \$75,628,340 as compared to \$81,793,707 at June 30, 2012.

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. 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 \$234,000,000 at June 30, 2013.

ECONOMIC FACTORS

Livingston Parish is located in the southeastern portion of Louisiana, approximately 30 miles east of the state capital of Baton Rouge. The parish consists of 642 square miles on 410,880 acres and is 32 miles long by 30 miles wide. The geographical landscape of the parish varies. The northern part of the parish consists of rolling terrain covered by slash pine and hardwood forests approximately 50 feet above sea level. In the southern end of the parish, the land submerges into rich cypress forests and marshes that border on Lake Maurepas and the Amite River. Between lie a variety of streams, bayous and swales. It is bordered by St. Helena Parish on the North, Tangipahoa Parish on the East, East Baton Rouge Parish on the West, and Lake Maurepas, St. John the Baptist Parish and Ascension Parish on the South.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

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

Just 20 minutes away is the Baton Rouge Metropolitan Airport which offers frequent, nonstop flights to five major hubs on four of the world's largest airlines, providing single connection service to most major spots on the globe. Travelers to the parish and capital region have the best of both worlds by also having access to international flights and additional domestic flights through the Louis Armstrong New Orleans International Airport which is about an hour away.

Livingston Parish is primarily described as a rural parish with a population of 131,942 based on the 2013 estimate. The main population areas are comprised of the following: two cities (Denham Springs – pop. 10,390 and Walker – pop. 6,136), three towns (Livingston – pop. 1,769, Albany – pop. 1,094 and Springfield – pop. 489), and three villages (Killian – pop. 1,212, French Settlement – pop. 1,116 and Port Vincent – pop. 743).

Livingston Parish has been among the fastest growing parishes in the state for the past decade--increasing its population from 91,814 in 2000 to today's estimated population of 131,942 (an increase of approximately 43.71%). Hurricane Katrina made landfall in south Louisiana in August 2005 and in the following year, the parish took on nearly 6,000 residents. The Livingston Parish Planning Department reported they issued 546 new home permits thus far in 2013 and the value of residential building permits rose 26.2 percent compared to the second quarter of 2012. The parish anticipates this to continue as people learn about the quality of life advantages in Livingston Parish. Livingston Parish employment grew 1.2 percent over the first quarter of 2013 and 4.4 percent compared to the second quarter of 2012 while the value of taxable retail sales rose 2.8 percent compared to the second quarter of 2012.

On the Livingston Parish 2013 tax roll, the total assessed property value is approximately \$679,547,280. The taxable value is \$452,503,308, which is approximately a 1.72% increase over the prior year. Increased population and development of rural lands continues to elevate property values in addition to a once every four years assessment done in 2012 of existing properties.

The Livingston Parish School System is amongst the top systems in the State in student enrollment increases (averaging over 300 + students in each of the past three years); present enrollment is approximately 25,825 (includes Pre-K); 43 schools (pre-K through high school), up from 30 schools in 1990; a new high school opened in 2012/13 and plans are underway to renovate the old high school for it to become a junior high school. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

Livingston Parish businesses and residents cited public schools in the parish as one of the community's strongest assets. The Livingston Parish Public School System has once again earned a "B" grade under the state's new scoring system, according to scores released by the Louisiana Department of Education. The Board of Elementary and Secondary Education modified District Performance Scores from a 200-point system to an 150-point system starting this year, stating it would be "easier for the general public to understand when 100 equals an 'A' and less than 50 equals an 'F'." Under the new system, Livingston Schools received an overall 91.1 score – that same score would have been 117.3 under last year's system, which is a tenth of a point off from the district's previous score.

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

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

Officials plan to build a new community college and workforce training center that would offer a wide range of programs, including general education, allied health, welding and technology. Initial designs call for a 20,000 square foot campus at a cost of about \$5.8 million. Officials are looking at building the college near the Livingston Parish Literacy and Technology Center in Walker. Officials hope to enroll more than 3,000 students at the facility. The proposed Livingston community college is part of legislation passed in the 2013 Louisiana Legislative Session with \$5.13 million earmarked to help fund the project.

Livingston Parish has earned a growing reputation as a great place to live. In addition, the parish is now considered a hot spot for business. Livingston Parish is in the midst of a commercial boom that is expected to soar. The once rural community offers almost everything businesses want when they are looking to invest. It has great schools, a growing population, abundant family housing, high quality of life, unbeatable location, untapped opportunity, well planned infrastructure and business-friendly leadership.

A united effort between the public and private sectors announced that they will assist in the continued economic growth of Livingston Parish. *Livingston Tomorrow* is the economic development plan outlining the strategies and goals that will create at least 12,000 jobs with significantly higher wages over the next five years; stable and growing tax base; new market opportunities for existing business; protection of existing business investments; individual engagement in the community growth; and unparalleled quality of life. The core mission of *Livingston Tomorrow* is based on the concept of "economic vitality" and the need to have a strong, healthy, local economy aimed at improving the economic quality of life for residents

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

and businesses. Our business leaders and decision makers continue to see the need to attract new businesses and maintain and grow existing businesses, and the *Livingston Tomorrow* campaign will ensure that we have sufficient funding for these endeavors.

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

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

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

Located off Wax Road, south of I-12, in Denham Springs is Greystone Golf and Country Club. Greystone is a 350-acre development, featuring a golf course, club house, pool, tennis courts, lake and trails along with some 350 upscale homes. Greystone’s golf course is recognized as one of the more challenging in the state even for highly-skilled golfers. Plans are underway for the construction of a new club house, golf course improvements and a new residential lot development.

In Denham Springs, a 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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

expansive boat showroom featuring Gator Trax boats built right here in the town of Springfield and the store is setting records in boat sales. It's also setting attendance records nationwide for cities of this size. The entire store is a tribute to the vast diversity of the Louisiana landscape and its people and like other Bass Pro Shops Outdoor World stores, takes on the flavor and atmosphere of the region. For a sample of the store's unique flair, visit www.livingstonparish.com/bass_pro_inside. Bass Pro provides 350+ permanent jobs. It is estimated the Bass Pro Shop and accompanying hotels and restaurants achieve annual sales of \$70 million.

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

Riverside Landing is one of only a very few sites in the United States with a unique anchor mix of national destination retail giants such as Bass Pro Outdoor World and Sam's Club. Cavender's Western Wear opened its 18,000 square foot store in the development in November 2013. Design of the new lifestyle shopping destinations to Riverside Landing is now underway. More than 530,000 square feet of development is planned for Riverside Landing and when completed, the complex will include over 1 million square feet of retail shops, restaurant and hotel space for shoppers to frequent.

Construction work is underway at the Juban Crossing site on Juban Road, at I-12. The \$250 million Juban Crossing project will be built in three phases. The first phase, expected to open in October 2014, will make up approximately 374,000 square feet of the development. Also included are national chain restaurants, a drug store, and a 14-screen, 46,000-square foot, 2,200-seat movie theater. Retailers on record as committed to stores in the mixed-use development include Belk, Bed Bath & Beyond, Michael's, Old Navy, Rouses Supermarket, Petsmart, Shoe Carnival, T.J. Maxx and Ulta Salon. Ultimately developers anticipate roughly 1.2 million square feet of retail throughout the development. The project's leaders estimate the development will create about 3,500 jobs and generate about \$5.9 million annually in ad valorem taxes alone.

Watson is a small but growing unincorporated town located in the northwest corner of Livingston Parish. It is one of the fastest growing areas in Livingston Parish. Watson retains that small town quality of life but is located close enough to Baton Rouge and Denham Springs to take advantage of their amenities. Watson has seen a steady growth in local businesses in the past few years and continues to grow as the population does. The area is home to numerous shops, restaurants and businesses and a new Wal-Mart store which opened in April 2012 and created around 300 new jobs.

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

Our Lady of the Lake (LOL) Livingston, located on 240 acres just off I-12 near Walker, opened for business in September 2012. The medical center includes the state's first freestanding emergency room

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

which is open 24 hours a day, 7 days a week. In addition to a freestanding emergency room, OLOL Livingston includes outpatient services such as a lab; imaging services including CT, ultrasound, X-ray and MRI and physician offices. The facility has 135 full-time employees with a total annual payroll of approximately \$6.6 million. OLOL Livingston is the latest addition to an ever growing number of new medical facilities located throughout Livingston Parish.

The Walker Museum is home to a vast collection of artifacts documenting South Louisiana's rich history. 'Honoring Those Who Serve' is a unique exhibit of historical military memorabilia paying tribute to all four branches of the armed forces. Visitors can browse hundreds of photographs documenting life in early Louisiana. The museum also is home to the Community Art Gallery, which features monthly exhibits of some of Livingston Parish's most gifted artists.

Livingston Parish Economic Development has been proactive in making the investment to develop its industrial park during the last several decades. 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. It is home to Shaw Sunland Fabricators, Waste Management, and manufacturer Compressor Engineering Corporation (CECO)

Just down the highway from the Livingston Parish Industrial Park, Gilchrist Construction Company has purchased 12 acres in the Co-Mar Industrial Park and began operation of their \$2 million asphalt plant in early 2012. Patten's Metal Express built and opened a new manufacturing facility in Co-Mar. The company produces metal roofing and steel building products for residential or commercial projects and the manufacturing operation will provide capital investment, tax revenues and employment opportunities for the communities.

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

Also at the Satsuma interchange, you will find Suma Crossing. It will be one of the area's most beautiful and functional mixed-use developments. Featuring New Orleans style architecture with a contemporary flair, the development will be based on the traditional neighborhood plan combining the best of residential living, recreational areas and professional offices with retail shops, specialty stores, dining and entertainment; featuring the Suma Hill Conference Center, an 800-seat theater.

Carter Plantation is home to PGA champion and Louisiana native David Toms' first signature design and the course 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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

Springfield, surrounds a historic plantation home that dates back to the early 19th Century and presently offers home sites, accommodations, meeting space, a first-class restaurant and recreation facilities.

The Village of French Settlement hosts the annual Creole Festival and is home of the Creole House. The home, an authentic Creole cottage, represents the culture and customs of the people of French, Spanish and German origin and exhibits hundreds of artifacts from the early 1800's. The Hungarian Settlement near Albany is the largest settlement of people of Hungarian descent in the United States. The rural ethnic settlement draws hundreds of guests to their Hungarian Festival each October which was instituted to preserve Hungarian food, music, dance and culture. Restoration of the old Hungarian school is underway to convert the school into a new Hungarian Museum. More information can be found at www.hungarianmuseum.com.

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

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

Location scouts from Hollywood and other areas continue to tour potential locations in Livingston Parish for upcoming filming of feature films. Parish officials take them to various sites and the company representatives are pleased with the unique beauty of Livingston Parish. For the second time in about as many years, Livingston Parish's Diversion Canal was picked for location filming by Active Entertainment. In August 2005, Warner Brothers released the movie "The Dukes of Hazzard". Scenes from the movie were filmed near French Settlement.

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

The major employer of Livingston Parish is the Livingston Parish School Board with approximately 3,300 employees and a budget in excess of \$240 million while Plantation Management is second and Walmart is third. Most of our population finds employment within the Baton Rouge metropolitan area and along the Mississippi River, which is laced with companies in the high-tech oil and chemical industries.

Magnificent natural resources like Lake Maurepas, the Tickfaw River and the Amite River make boating, tubing, kayaking and fishing in Livingston Parish major activities for residents of the entire Capital Region. Other outdoor activities include camping, water skiing, swamp tours, boat races and river parades. Near the town of Springfield, you'll find the Tickfaw State Park, a 1,200-acre park located along three miles of the Tickfaw River. The park offers diverse recreational, nature and educational opportunities. This State Park has it all. Camping, fishing, hiking, bird watching, biking and canoeing are just some of the things you can enjoy while you are here at the park. The many alligators are a must see in the fishing pond.

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

But Livingston Parish is not all down to earth. Perhaps its most unique asset is the Laser Interferometer Gravitational Wave Observatory (LIGO) federal research project, one of only two such sites in the world which is located near the town of Livingston. While scientists study gravitational waves, education directors conduct free tours of the facility and the Science Education Center has over forty hands-on interactive science exhibits that relate to the science of LIGO. Tours include a 20-minute video called Einstein's Messengers, and there is plenty of time to explore the exhibits that will fascinate and challenge visitors. For more information about tours and programs, see the LIGO website, www.ligo-la.caltech.edu.

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2013

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION

JUNE 30, 2013

(With Comparative Totals as of June 30, 2012)

ASSETS

	Governmental Activities	
	2013	2012
Cash and Cash Equivalents	\$ 19,308,072	\$ 25,613,382
Investments	50,150,000	50,150,000
Receivables	10,080,341	7,975,043
Inventory	1,577,921	1,258,868
Deferred Bond Issuance Costs	582,628	676,884
Capital Assets:		
Land and Construction in Progress	12,829,823	44,801,178
Other Capital Assets (Net of Accumulated Depreciation)	182,393,135	146,070,407
Total Assets	\$ <u>276,921,920</u>	\$ <u>276,545,762</u>

LIABILITIES

Accounts, Salaries, and Other Payables	\$ 27,600,349	\$ 30,062,913
Interest Payable	688,956	686,790
Long-Term Liabilities:		
Due Within One Year	9,069,401	8,916,284
Due in More than One Year	111,014,193	112,511,336
Total Liabilities	148,372,899	152,177,323

NET POSITION

Net Investment in Capital Assets	119,501,031	112,729,934
Restricted for:		
Debt Service Fund	5,485,735	6,834,194
Maintenance of Schools	2,008,707	1,791,869
General Fund	26,475,282	26,047,169
Unrestricted (Deficit)	<u>(24,921,734)</u>	<u>(23,034,727)</u>
Total Net Position	<u>128,549,021</u>	<u>124,368,439</u>
Total Liabilities and Net Position	\$ <u>276,921,920</u>	\$ <u>276,545,762</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, 2013

(With Comparative Totals For the Year Ended June 30, 2012)

	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	2013	2012
FUNCTIONS/PROGRAMS						
Governmental Activities:						
Instruction:						
Regular Programs	\$ 92,326,129	\$ 365,773	\$ 1,098,305	\$ -	\$ (90,862,051)	\$ (90,674,875)
Special Programs	28,691,413	2,203	2,411,341	15,529	(26,262,340)	(26,654,644)
Vocational Programs	2,978,890	1,260	287,916	7,540	(2,682,174)	(2,784,434)
Adult Continuing Education Programs	244,834	-	231,403	-	(13,431)	(23,059)
All Other Programs	9,956,025	330,017	6,940,741	-	(2,685,267)	(2,555,587)
Support Services:						
Student Services	13,357,943	-	1,587,271	-	(11,770,672)	(11,203,979)
Instructional Staff Support	8,944,707	337	2,337,321	-	(6,607,049)	(4,277,224)
General Administration	6,731,220	955,837	-	-	(5,775,383)	(7,972,270)
School Administration	13,414,498	66,898	3,353	-	(13,344,247)	(10,433,429)
Business Services	2,031,858	194,781	499,414	-	(1,337,663)	(1,372,599)
Plant Services	17,983,099	44,207	360,476	-	(17,578,416)	(15,815,395)
Student Transportation Services	12,424,984	143,182	21,083	-	(12,260,719)	(11,754,683)
Central Services	2,141,606	467	-	-	(2,141,139)	(2,082,196)
Food Services	12,754,863	2,843,817	7,557,610	-	(2,353,436)	(2,391,127)
Community Service Programs	100,484	-	85,495	-	(14,989)	(14,942)
Interest on Long-Term Debt	3,096,444	-	-	-	(3,096,444)	(3,464,444)
Total Governmental Activities	\$ 227,178,997	\$ 4,948,779	\$ 23,421,729	\$ 23,069	(198,785,420)	(193,474,887)
Taxes:						
Property Taxes, Levied for General Purposes					9,784,375	9,254,636
Property Taxes, Levied for Debt Services					5,387,932	5,631,056
Sales and Use Taxes, Levied for General Purposes					34,399,909	33,545,396
Sales and Use Taxes, Levied for Debt Services					1,535,765	1,155,206
State Revenue Sharing					921,231	916,620
Grants and Contributions not Restricted to Specific Purposes:						
Minimum Foundation Program					150,009,610	145,560,300
Other					10,319	13,625
Interest and Investment Earnings					689,288	671,589
Net Gain (Loss) on Sale of Assets					(47,934)	18,862
Miscellaneous					275,507	361,172
Total General Revenues					202,966,002	197,128,462
Change in Net Position					4,180,582	3,653,575
Net Position - Beginning of Year					124,368,439	120,714,864
Net Position - End of Year					\$ 128,549,021	\$ 124,368,439

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, 2013
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

<u>ASSETS</u>	General		Capital		Nonmajor		Total	
	Fund	Projects Fund	Funds	Funds	2013	2012	Governmental Funds	
Cash and Cash Equivalents	\$ 6,927,805	\$ 6,140,944	\$ 6,239,323	\$ 19,308,072	\$ 25,613,382			
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	48,650,000	-	1,500,000	50,150,000	50,150,000			
Receivables	4,033,717	13,980	6,032,644	10,080,341	7,975,043			
Due from Other Funds	5,730,263	-	-	5,730,263	4,044,334			
Inventory	1,234,826	-	343,095	1,577,921	1,258,868			
Total Assets	<u>\$ 66,576,611</u>	<u>\$ 6,154,924</u>	<u>\$ 14,115,062</u>	<u>\$ 86,846,597</u>	<u>\$ 89,041,627</u>			
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Accounts, Salaries and Other Payables	\$ 26,091,973	\$ 1,128,239	\$ 380,137	\$ 27,600,349	\$ 30,062,913			
Due to Other Funds	-	-	5,730,263	5,730,263	4,044,334			
Total Liabilities	26,091,973	1,128,239	6,110,400	33,330,612	34,107,247			
Fund Balances:								
Nonspendable:								
Inventory	1,234,826	-	343,095	1,577,921	1,258,868			
Restricted For:								
Debt Service	-	-	5,485,735	5,485,735	6,834,194			
Maintenance of Schools	-	-	2,008,707	2,008,707	1,791,869			
Construction, Utilities and Maintenance	23,741,254	-	-	23,741,254	23,319,602			
Educational Excellence	1,620,568	-	-	1,620,568	1,743,925			
E-Rate	1,017,870	-	-	1,017,870	897,039			
Other	95,590	-	-	95,590	86,603			
Committed To:								
Contracts	-	814,496	-	814,496	5,670,376			
Assigned To:								
Capital Projects	-	4,212,189	-	4,212,189	3,161,503			
School Lunch Program	-	-	167,125	167,125	142,623			
Property Damage Insurance	234,012	-	-	234,012	-			
General Liability Insurance	622,574	-	-	622,574	-			
Workers Compensation Insurance	89,747	-	-	89,747	-			
Other Post Employment Benefits	2,357,867	-	-	2,357,867	2,143,515			
Unassigned	9,470,330	-	-	9,470,330	7,884,263			
Total Fund Balances	<u>40,484,638</u>	<u>5,026,685</u>	<u>8,004,662</u>	<u>53,515,985</u>	<u>54,934,380</u>			
Total Liabilities and Fund Balances	<u>\$ 66,576,611</u>	<u>\$ 6,154,924</u>	<u>\$ 14,115,062</u>	<u>\$ 86,846,597</u>	<u>\$ 89,041,627</u>			

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

LIVINGSTON PARISH SCHOOL BOARD

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2013
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

	<u>2013</u>	<u>2012</u>
Total Fund Balances - Governmental Funds	\$ 53,515,985	\$ 54,934,380
Cost of Capital Assets	308,937,782	298,106,249
Less: Accumulated Depreciation	<u>(113,714,824)</u>	<u>(107,234,664)</u>
	195,222,958	190,871,585
Deferred Bond Issuance Costs	582,628	676,884
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	5,730,263	4,044,334
Due to Other Funds	<u>(5,730,263)</u>	<u>(4,044,334)</u>
	-	-
Long-Term Liabilities:		
Accumulated Unfunded Other Postemployment Benefits Payable	(30,773,780)	(25,041,995)
Compensated Absences	(10,897,887)	(11,003,669)
Claims and Judgments	(2,690,000)	(3,570,000)
Bonds Payable	(70,095,000)	(75,393,702)
Certificates of Indebtedness Payable	(5,533,340)	(6,400,005)
Deferred Premium on Bonds	(177,682)	(185,710)
Deferred Amount on Refunding	84,095	167,461
Accrued Interest Payable	<u>(688,956)</u>	<u>(686,790)</u>
	<u>(120,772,550)</u>	<u>(122,114,410)</u>
Net Position of Governmental Activities	<u>\$ 128,549,021</u>	<u>\$ 124,368,439</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2013	2012
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 4,612,153	\$ 2,087,974	\$ 8,472,180	\$ 15,172,307	\$ 14,885,692
Sales and Use	34,399,909	-	1,535,765	35,935,674	33,996,008
Other	488,983	-	-	488,983	477,153
Rentals, Leases and Royalties	98,462	-	-	98,462	44,703
Tuition	319,803	-	-	319,803	318,329
Interest Earnings	537,708	40,049	111,531	689,288	671,589
Food Services	-	-	2,843,797	2,843,797	3,364,693
Other	3,105,873	-	52,328	3,158,201	2,842,259
State Sources:					
Unrestricted Grants-in-Aid	150,096,845	218,139	626,176	150,941,160	146,490,545
Restricted Grants-in-Aid	1,058,744	-	-	1,058,744	1,199,836
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	499,128	499,128	483,353
Restricted Grants-in-Aid - Subgrants	280,192	-	19,292,849	19,573,041	19,864,440
Other - Commodities	-	-	842,401	842,401	735,602
Total Revenues	194,998,672	2,346,162	34,276,155	231,620,989	225,374,202
Expenditures:					
Instruction:					
Regular Programs	89,355,720	-	2,810	89,358,530	91,007,022
Special Programs	26,275,056	-	1,369,531	27,644,587	27,619,872
Vocational Programs	2,599,812	-	287,916	2,887,728	2,982,801
Adult and Continuing Education Programs	107,090	-	134,141	241,231	228,827
Other Programs	3,160,406	-	6,647,890	9,808,296	9,206,255
Support Services:					
Pupil Support	11,445,151	-	1,587,271	13,032,422	12,553,238
Instructional Staff Support	6,088,508	-	2,337,321	8,425,829	7,174,294

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2013	2012
Expenditures (Continued):					
Support Services (Continued):					
General Administration	2,023,928	81,418	339,376	2,444,722	2,528,166
School Administration	13,040,471	-	3,353	13,043,824	10,218,544
Business Services	1,982,416	-	286	1,982,702	1,965,761
Plant Services	14,058,436	-	3,547,349	17,605,785	15,789,435
Transportation Services	11,507,221	-	21,083	11,528,304	10,986,350
Central Services	2,115,977	-	-	2,115,977	2,021,743
Food Services	-	-	12,511,721	12,511,721	12,814,339
Community Service Programs	15,001	-	85,495	100,496	126,356
Capital Outlay	942,438	10,069,938	23,069	11,035,445	20,917,741
Debt Service:					
Principal Retirement	-	-	6,165,369	6,165,369	5,493,740
Interest and Bank Charges	-	-	2,924,682	2,924,682	3,290,587
Cost of Issuance	-	-	-	-	141,909
Total Expenditures	<u>184,717,631</u>	<u>10,151,356</u>	<u>37,988,663</u>	<u>232,857,650</u>	<u>237,066,980</u>
Excess (Deficiency) of Revenues Over Expenditures	10,281,041	(7,805,194)	(3,712,508)	(1,236,661)	(11,692,778)
Other Financing Sources (Uses):					
Sale of Capital Assets	31,742	-	-	31,742	22,685
Other	(213,476)	-	-	(213,476)	(115,981)
Issuance of Long Term Debt	-	-	-	-	17,165,000
Transfers In	499,128	4,000,000	3,174,643	7,673,771	9,229,113
Transfers Out	(7,174,643)	-	(499,128)	(7,673,771)	(9,229,113)
Payment to Refund Bonds	-	-	-	-	(6,980,000)
Total Other Financing Sources (Uses)	<u>(6,857,249)</u>	<u>4,000,000</u>	<u>2,675,515</u>	<u>(181,734)</u>	<u>10,091,704</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	3,423,792	(3,805,194)	(1,036,993)	(1,418,395)	(1,601,074)
Fund Balances at Beginning of Year	<u>37,060,846</u>	<u>8,831,879</u>	<u>9,041,655</u>	<u>54,934,380</u>	<u>56,535,454</u>
Fund Balances at End of Year	<u>\$ 40,484,638</u>	<u>\$ 5,026,685</u>	<u>\$ 8,004,662</u>	<u>\$ 53,515,985</u>	<u>\$ 54,934,380</u>

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

LIVINGSTON PARISH SCHOOL BOARD

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	<u>2013</u>	<u>2012</u>
Total Net Change in Fund Balances - Governmental Funds	\$ (1,418,395)	\$ (1,601,074)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Capital Outlays	11,035,445	20,917,741
Library Books and Textbooks Purchased	1,428,798	3,238,522
Depreciation Expense	(8,033,194)	(8,164,931)
Add accumulated depreciation on capital assets retired during the year	1,553,034	2,345,188
Less cost basis of capital assets retired during the year	(1,632,710)	(2,349,011)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of General Obligation Bonds	-	(17,165,000)
Increase in Other Postemployment Benefits Obligation Net	(5,731,785)	(5,824,738)
General Obligation Bond Principal Repayments	5,298,704	4,627,075
Certificates of Indebtedness Principal Repayments	866,665	866,665
Cost of Issuance of General Obligation Bonds	-	141,909
Payment to Refund Bonds	-	6,980,000
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	105,782	245,086
(Increase) Decrease in Claims and Judgments Payable	880,000	(430,000)
Amortization of Cost of Issuance	(94,256)	(92,519)
Amortization of Deferred Amounts on Refunding	(83,366)	(83,366)
Amortization of Premium Received on Issuance of General Obligation Bonds	8,026	7,508
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.		
	<u>(2,166)</u>	<u>(5,480)</u>
Change in Net Position of Governmental Activities	<u>\$ 4,180,582</u>	<u>\$ 3,653,575</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 4,340,000	\$ 4,620,000	\$ 4,612,153	\$ (7,847)
Sales and Use	34,995,578	34,995,578	34,399,909	(595,669)
Other	475,000	485,000	488,983	3,983
Rentals, Leases and Royalties	102,500	102,500	98,462	(4,038)
Tuition	335,000	335,000	319,803	(15,197)
Interest Earnings	532,600	532,600	537,708	5,108
Other	2,853,600	2,753,600	3,105,873	352,273
State Sources:				
Unrestricted Grants-in-Aid	146,971,496	150,107,992	150,096,845	(11,147)
Restricted Grants-in-Aid	1,453,854	1,202,618	1,058,744	(143,874)
Federal Sources:				
Restricted Grants-in-Aid	-	445,000	280,192	(164,808)
Total Revenues	<u>192,059,628</u>	<u>195,579,888</u>	<u>194,998,672</u>	<u>(581,216)</u>
Expenditures:				
Instruction:				
Regular Programs	90,711,100	90,820,408	89,355,720	1,464,688
Special Programs	26,853,553	26,759,220	26,275,056	484,164
Vocational Programs	2,776,788	2,720,600	2,599,812	120,788
Other Programs	3,285,597	3,224,398	3,160,406	63,992
Adult and Continuing Education Programs	103,454	120,499	107,090	13,409
Support Services:				
Pupil Support	11,560,000	11,552,000	11,445,151	106,849
Instructional Staff Support	5,859,150	6,138,050	6,088,508	49,542
General Administration	2,160,150	2,211,475	2,023,928	187,547
School Administration	13,216,572	13,092,390	13,040,471	51,919
Business Services	1,984,850	2,014,850	1,982,416	32,434
Plant Services	13,618,651	14,691,389	14,058,436	632,953

(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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Continued):				
Support Services (Continued):				
Transportation Services	11,197,350	11,699,056	11,507,221	191,835
Central Services	2,576,600	2,243,300	2,115,977	127,323
Community Service Programs	15,001	15,001	15,001	-
Capital Outlay	945,000	1,236,737	942,438	294,299
Total Expenditures	<u>186,863,816</u>	<u>188,539,373</u>	<u>184,717,631</u>	<u>3,821,742</u>
Excess of Revenues Over Expenditures	5,195,812	7,040,515	10,281,041	3,240,526
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	34,100	31,742	(2,358)
Other	(198,752)	(215,000)	(213,476)	1,524
Transfers In	550,000	550,000	499,128	(50,872)
Transfers Out	<u>(11,398,057)</u>	<u>(10,743,057)</u>	<u>(7,174,643)</u>	<u>3,568,414</u>
Total Other Financing Sources (Uses)	<u>(11,045,809)</u>	<u>(10,373,957)</u>	<u>(6,857,249)</u>	<u>3,516,708</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	(5,849,997)	(3,333,442)	3,423,792	6,757,234
Fund Balance at Beginning of Year	<u>37,060,846</u>	<u>37,060,846</u>	<u>37,060,846</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 31,210,849</u>	<u>\$ 33,727,404</u>	<u>\$ 40,484,638</u>	<u>\$ 6,757,234</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, 2013

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
Cash and Cash Equivalents	\$ <u>8,508,069</u>	\$ <u>8,139,538</u>
Total Assets	\$ <u><u>8,508,069</u></u>	\$ <u><u>8,139,538</u></u>

LIABILITIES

Amounts Held for School Activities	\$ 5,365,078	\$ 4,975,436
Deposits Due to Others	<u>3,142,991</u>	<u>3,164,102</u>
Total Liabilities	\$ <u><u>8,508,069</u></u>	\$ <u><u>8,139,538</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, 2013

INTRODUCTION

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

The School Board operates forty-two schools, a special education center, the Livingston Parish Literacy and Technology Center and the Option III Center, within the parish with a total enrollment of approximately 25,000 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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:

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, 2013, 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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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, 2013, the Livingston Parish Public Benefit Corporation had no assets or liabilities to report.

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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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.

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

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

Allocation of Indirect Expenses

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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.

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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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.

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, 2013, 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, 2013. 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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.

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

I. Capital Assets

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

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

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings or other immovable property such as stadiums.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Since 2003, if such items are built or constructed, they are capitalized and depreciated over their estimated useful lives.

J. 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. Vacation leave can be accumulated without limitation, but must be used prior to retirement or termination.

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.

K. 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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.

L. Sales and Use Taxes

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

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

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

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

The School Board receives a collection fee from each of these entities at 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. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

M. 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.

N. Fund Balances

Government-Wide Statements

Equity is classified as net position and displayed in three components:

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

Fund Statements

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

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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.

O. Summary Financial Information for 2012 and Reclassification

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School Board's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Certain items in the 2012 columns have been reclassified to conform to the presentation in the current year financial statements. Such reclassification had no effect on the previous reported deficiency of revenues and other sources over expenditures and other uses or change in net position.

P. Current Year Adoption of New Standards

The School Board adopted the following recently issued GASB Standards in the preparation of this Financial Statement:

GASB Statement No. 61 - The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34

GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position

The adoption of GASB 61 did not require any changes to the financial statements of the School Board; however, GASB 63 required the School Board to change terminology from Net Assets to Net Position.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

(2) Cash and Cash Equivalents -

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

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

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

At June 30, 2013, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$77,966,141 and the confirmed bank balances were \$78,129,241. 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, 2013, classified by credit risk:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$19,308,072	\$8,508,069	\$27,816,141
Certificates of Deposits	<u>50,150,000</u>	<u>-</u>	<u>50,150,000</u>
Total	<u>\$69,458,072</u>	<u>\$8,508,069</u>	<u>\$77,966,141</u>

Custodial Credit Risk - Deposits

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. As of June 30, 2013, \$76,539,029 of the School Board's bank balances of \$78,129,241 was exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

(3) Ad Valorem Taxes -

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

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

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

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		4.73		4.73
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
District Taxes -				
Bond and Interest	-	43.97	-	43.97

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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

Total Ad Valorem Taxes Levied	\$15,094,973
Less: Amounts Deemed Uncollectible	<u>(397,837)</u>
	14,697,136
Add: Settlement of Prior Year Accumulated Protested Taxes	<u>475,171</u>
Net Ad Valorem Taxes Collectible	<u><u>\$15,172,307</u></u>

Ad Valorem taxes receivable at June 30, 2013, totaled \$89,598.

(4) Receivables -

The receivables at June 30, 2013, are as follows:

	<u>Federal</u> <u>Grants</u>	<u>State</u> <u>Grants</u>	<u>Sales</u> <u>Taxes</u>	<u>Ad Valorem</u> <u>Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 238,299	\$ 168,927	\$3,115,708	\$ 27,360	\$ 3,519	\$479,904	\$ 4,033,717
Capital Projects Fund	-	-	-	12,383	1,597	-	13,980
Nonmajor Funds	<u>5,838,738</u>	<u>-</u>	<u>131,044</u>	<u>49,855</u>	<u>6,392</u>	<u>6,615</u>	<u>6,032,644</u>
Totals	<u><u>\$6,077,037</u></u>	<u><u>\$ 168,927</u></u>	<u><u>\$3,246,752</u></u>	<u><u>\$ 89,598</u></u>	<u><u>\$ 11,508</u></u>	<u><u>\$486,519</u></u>	<u><u>\$10,080,341</u></u>

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

	<u>Due from</u> <u>Other</u> <u>Funds</u>	<u>Due to</u> <u>Other</u> <u>Funds</u>
General Fund	\$ 5,730,263	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	2,301,309
Special Education Fund	-	1,689,951
Special Federal Fund	-	1,316,860
Other Federal ESEA Fund	<u>-</u>	<u>422,143</u>
Total Special Revenue Funds	<u>-</u>	<u>5,730,263</u>
Total	<u><u>\$ 5,730,263</u></u>	<u><u>\$ 5,730,263</u></u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 499,128	\$ 7,174,643
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	225,428
Special Education	-	196,870
Maintenance of Schools	475,000	-
School Lunch	1,750,000	-
Special Federal	-	34,334
Other Federal ESEA	<u>-</u>	<u>42,496</u>
Total Special Revenue Funds	2,225,000	499,128
Debt Service Funds:		
District No. 4	842,000	-
District No. 24	34,978	-
District No. 31	<u>72,665</u>	<u>-</u>
Total Debt Service Funds	949,643	-
Capital Projects Fund:		
District No. 1	1,500,000	-
District No. 22	1,500,000	-
District No. 27	625,000	-
District No. 32	<u>375,000</u>	<u>-</u>
Total Capital Projects Fund	4,000,000	-
Total	<u>\$ 7,673,771</u>	<u>\$ 7,673,771</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2013 is as follows:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2013</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 11,363,861	\$ -	\$ -	\$ 11,363,861
Construction in Progress	<u>33,437,317</u>	<u>10,069,938</u>	<u>(42,041,293)</u>	<u>1,465,962</u>
Total Capital Assets not being Depreciated	44,801,178	10,069,938	(42,041,293)	12,829,823
Capital Assets being Depreciated:				
Buildings and Improvements	220,817,966	42,041,293	-	262,859,259
Furniture and Equipment	6,041,208	394,920	(158,016)	6,278,112
Library Books and Textbooks	20,194,595	1,428,798	(1,036,417)	20,586,976
Vehicles	<u>6,251,302</u>	<u>570,587</u>	<u>(438,277)</u>	<u>6,383,612</u>
Total Capital Assets being Depreciated	253,305,071	44,435,598	(1,632,710)	296,107,959
Less: Accumulated Depreciation for:				
Buildings and Improvements	86,158,307	5,063,783	-	91,222,090
Furniture and Equipment	3,683,591	420,392	(138,728)	3,965,255
Library Books and Textbooks	13,116,979	2,072,357	(1,036,417)	14,152,919
Vehicles	<u>4,275,787</u>	<u>476,662</u>	<u>(377,889)</u>	<u>4,374,560</u>
Total Accumulated Depreciation	107,234,664	8,033,194	(1,553,034)	113,714,824
Total Capital Assets being Depreciated, Net	<u>146,070,407</u>	<u>36,402,404</u>	<u>(79,676)</u>	<u>182,393,135</u>
Total Governmental Activities Capital Assets, Net	<u>\$190,871,585</u>	<u>\$46,472,342</u>	<u>\$(42,120,969)</u>	<u>\$195,222,958</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Depreciation expense of \$8,033,194 for the year ended June 30, 2013 was charged to the following governmental functions:

Instruction:

Regular Education	\$ 1,697,588
Special Education	13,405
Vocational Education	5,581
Other Education Programs	8,358

Support Services:

Instructional Staff Support	521,343
General Administration (Including all Buildings)	5,140,647
School Administration	22,969
Business Services	1,227
Plant Services	134,463
Central Services	2,458
Student Transportation Services	464,749
School Food Services	<u>20,406</u>
Total	<u>\$ 8,033,194</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2013, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Employee Benefits</u>	<u>Total</u>
General Fund	\$1,350,085	\$9,025,332	\$15,165,831	\$ 550,725	\$26,091,973
Capital Projects Fund	1,128,239	-	-	-	1,128,239
Nonmajor Funds	<u>380,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>380,137</u>
Total	<u>\$2,858,461</u>	<u>\$9,025,332</u>	<u>\$15,165,831</u>	<u>\$ 550,725</u>	<u>\$27,600,349</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

(8) Defined Benefit Pension Plans -

A. Plan Descriptions, Contribution Information and Funding Policies -

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	8.00%	9.10%	7.50% - Hired before July 1, 2010 8.00% - Hired on or after July 1, 2010
School Board's Contribution Rate (Percent of Covered Payroll)	24.50%	30.00%	30.80%
Period Required to Vest	5 years	5 years	10 years (Membership prior to July 1, 2010) 5 Years (Membership on or after July 1, 2010)
Benefits and Eligibility for Distribution (Full-time)	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	Final average compensation is based on when membership begins:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>																																				
Membership prior to July 1, 1999	Membership includes School Food Service Workers who were active members of the School Lunch Employees' Retirement System on July 1, 1983, when the System merged with TRSL.	Membership prior to July 1, 2006: Benefit based on 36 highest successive months which are subject to the 10% salary limitation.																																				
<table border="0"> <thead> <tr> <th>Years</th> <th>Min.</th> <th>Formula</th> </tr> <tr> <th><u>Service</u></th> <th><u>Age</u></th> <th><u>Percentage</u></th> </tr> </thead> <tbody> <tr> <td>5</td> <td>60</td> <td>2.0%</td> </tr> <tr> <td>20</td> <td>Any Age</td> <td>2.0%</td> </tr> <tr> <td>25</td> <td>55</td> <td>2.5%</td> </tr> <tr> <td>30</td> <td>Any Age</td> <td>2.5%</td> </tr> <tr> <td>20</td> <td>65</td> <td>2.5%</td> </tr> </tbody> </table>	Years	Min.	Formula	<u>Service</u>	<u>Age</u>	<u>Percentage</u>	5	60	2.0%	20	Any Age	2.0%	25	55	2.5%	30	Any Age	2.5%	20	65	2.5%	<table border="0"> <thead> <tr> <th>Years</th> <th>Min.</th> <th>Formula</th> </tr> <tr> <th><u>Service</u></th> <th><u>Age</u></th> <th><u>Percentage</u></th> </tr> </thead> <tbody> <tr> <td>5</td> <td>60</td> <td>3.0%</td> </tr> <tr> <td>25</td> <td>55</td> <td>3.0%</td> </tr> <tr> <td>30</td> <td>Any Age</td> <td>3.0%</td> </tr> </tbody> </table>	Years	Min.	Formula	<u>Service</u>	<u>Age</u>	<u>Percentage</u>	5	60	3.0%	25	55	3.0%	30	Any Age	3.0%	Membership on or after July 1, 2006 through June, 2010: Benefit based on 60 highest successive months which are subject to the 10% salary limitation.
Years	Min.	Formula																																				
<u>Service</u>	<u>Age</u>	<u>Percentage</u>																																				
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30	Any Age	3.0%																																				
Membership between July 1, 1999 and December 31, 2010	Plan A Members who did not contribute to retirement until their employers withdrew from Social Security coverage will receive:	Membership on or after July 1, 2010: Benefit based on 60 highest successive months which are subject to the 15% salary limitation.**																																				
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LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Teachers' Retirement
System of Louisiana -
Regular Plan

Teachers' Retirement
System of Louisiana -
Plan A

State of Louisiana
School Employees'
Retirement System

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

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

*Actuarially Reduced Benefit

Member on or after July 1, 2010

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

*Actuarially Reduced Benefit

Deferred Retirement Option

Yes

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

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

Yes

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

Yes

Member prior to July 1, 2010		
<u>Years</u>	<u>Min.</u>	<u>Formula</u>
<u>Service</u>	<u>Age</u>	<u>Percentage</u>
10	60	3.33%
25	55	3.33%
30	Any Age	3.33%

Member on or after July 1, 2010

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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

B. Trend Information -

Contributions required by State statute:

<u>Fiscal Year</u>	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>		<u>Teachers' Retirement System of Louisiana - Plan A</u>		<u>State of Louisiana School Employees' Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2004	\$ 9,493,360	100%	\$ 36,851	100%	\$ -	N/A
2005	\$11,445,128	100%	\$ 37,077	100%	\$ 953,322	100%
2006	\$12,770,586	100%	\$ 29,355	100%	\$1,222,461	100%
2007	\$13,876,912	100%	\$ 33,310	100%	\$1,545,886	100%
2008	\$17,235,237	100%	\$ 10,139	100%	\$1,749,675	100%
2009	\$17,152,858	100%	\$ 5,539	100%	\$1,841,646	100%
2010	\$17,391,534	100%	\$ 5,384	100%	\$1,732,526	100%
2011	\$22,653,846	100%	\$ 7,825	100%	\$2,414,069	100%
2012	\$24,796,426	100%	\$ 8,958	100%	\$2,720,476	100%
2013	\$26,160,705	100%	\$ 12,140	100%	\$3,004,382	100%

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

C. Deferred Compensation Plan -

In addition to the above mentioned retirement plans, on May 5, 1994, the School Board adopted a resolution establishing a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All part-time, seasonal and temporary employees of the School Board are eligible to participate in this plan. Participation in this plan is at a rate of 7.5% of compensation with contributions to the plan funded 1.3% by the employer and 6.2% by the employee. During the current fiscal year, total contributions to the plan amounted to \$368,842 which consisted of \$63,934 from the School Board and \$304,908 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, 2013.

(9) Changes in Agency Fund Deposits Due Others -

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

	School Activity Fund	Sales Tax Fund	Total
Balance - June 30, 2012	\$ 4,975,436	\$ 3,164,102	\$ 8,139,538
Additions	11,910,388	75,716,054	87,626,442
Deductions	<u>(11,520,746)</u>	<u>(75,737,165)</u>	<u>(87,257,911)</u>
Balance - June 30, 2013	<u>\$ 5,365,078</u>	<u>\$ 3,142,991</u>	<u>\$ 8,508,069</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

(10) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2013:

	Bonded Debt	Certificates of Indebtedness	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Long-Term Obligations - July 1, 2012	\$ 75,411,951	\$ 6,400,005	\$ 11,003,669	\$ 3,570,000	\$ 25,041,995	\$ 121,427,620
Additions	-	-	2,535,306	644,739	12,201,459	15,381,504
Amortization of Deferred Amounts on Refunding	83,366	-	-	-	-	83,366
Amortization on Premium Received on Issuance of Bond	(8,026)	-	-	-	-	(8,026)
Deductions	(5,298,704)	(866,665)	(2,641,088)	(1,524,739)	(6,469,674)	(16,800,870)
Long-Term Obligations - June 30, 2013	<u>\$ 70,188,587</u>	<u>\$ 5,533,340</u>	<u>\$ 10,897,887</u>	<u>\$ 2,690,000</u>	<u>\$ 30,773,780</u>	<u>\$ 120,083,594</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2013:

	Bonded Debt	Certificates of Indebtedness	Compensated Absences	Claims and Judgments	Post- Employment Benefits	Total
Current Portion	\$ 5,478,264	\$ 866,665	\$ 2,724,472	\$ -	\$ -	\$ 9,069,401
Long-Term Portion	64,710,323	4,666,675	8,173,415	2,690,000	30,773,780	111,014,193
Total	<u>\$ 70,188,587</u>	<u>\$ 5,533,340</u>	<u>\$ 10,897,887</u>	<u>\$ 2,690,000</u>	<u>\$ 30,773,780</u>	<u>\$ 120,083,594</u>

Bonded Debt

All school board bonds outstanding at June 30, 2013 in the amount of \$70,095,000 consist of general obligation bonds with final maturities from 2014 to 2031 and interest rates from .1 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$5,478,264 and \$2,716,511, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

	<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:					
03/01/02	\$6,455,000	3.00-4.40%	2014	\$ 34,760	\$ 790,000
12/01/07	\$26,000,000	3.88-5.00%	2027	7,581,144	21,100,000
School District No. 4:					
03/01/02	\$2,840,000	3.00-4.40%	2014	15,400	350,000
01/01/05	\$12,000,000	3.06-5.00%	2024	2,672,447	9,830,000
School District No. 22:					
06/01/10	\$20,000,000	2.00-4.13%	2030	7,351,350	18,610,000
11/01/11	\$10,000,000	3.00-5.00%	2031	4,272,055	9,660,000
06/07/12	\$7,165,000	1.95%	2022	623,415	6,800,000
School District No. 24:					
07/11/06	\$1,525,000	3.75-4.13%	2014	5,053	245,000
School District No. 27-A:					
07/11/06	\$1,690,000	3.75-4.13%	2014	5,259	255,000
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	18,788	175,000
08/01/01	\$ 450,000	.1%-6.50%	2016	12,622	125,000
School District No. 32-A:					
08/01/01	\$1,400,000	.1%-6.5%	2016	39,847	395,000
07/11/06	\$1,225,000	3.85-4.30%	2016	37,558	430,000
School District No. 33:					
01/01/05	\$1,750,000	3.75-5.00%	2024	338,375	1,230,000
07/11/06	\$ 635,000	3.75-4.13%	2014	<u>2,061</u>	<u>100,000</u>
Total General Obligation Bonds				<u>23,010,134</u>	<u>70,095,000</u>
Total Bonded Debt				<u>\$ 23,010,134</u>	<u>\$ 70,095,000</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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, 2013 the School Board has accumulated \$5,485,735 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

<u>Year Ending June 30.</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2014	\$ 5,540,000	\$ 2,716,511	\$ 8,256,511
2015	4,360,000	2,513,465	6,873,465
2016	4,575,000	2,350,675	6,925,675
2017	4,275,000	2,184,477	6,459,477
2018	4,225,000	2,026,603	6,251,603
2019-2023	23,520,000	7,652,834	31,172,834
2024-2028	18,410,000	3,183,959	21,593,959
2029-2031	<u>5,190,000</u>	<u>381,610</u>	<u>5,571,610</u>
	70,095,000	<u>\$23,010,134</u>	<u>\$93,105,134</u>
Unamortized Deferred Amount on Refunding	(84,095)		
Unamortized Premium On Bond Issuance	<u>177,682</u>		
	<u>\$70,188,587</u>		

Prior Years Advance Refundings

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

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government, State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. At June 30, 2013, the principal balance on the defeased bonds is \$2,065,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. At June 30, 2013, the unamortized balance is \$84,095. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,206.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2013, the statutory limit is approximately \$234,000,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$70,095,000.

Certificates of Indebtedness

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

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificates of Indebtedness					
School District No. 4:					
10/01/09	\$8,000,000	0.75%	2019	\$ 126,000	\$ 4,800,000
School District No. 31:					
10/01/09	\$1,000,000	0.75%	2024	<u>33,001</u>	<u>733,340</u>
Total Certificates of Indebtedness				<u>\$ 159,001</u>	<u>\$ 5,533,340</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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
2014	\$ 866,665	\$ 41,500	\$ 908,165	\$ 123,947	\$ 82,447
2015	866,665	35,000	901,665	104,533	69,533
2016	866,665	28,500	895,165	85,120	56,620
2017	866,665	22,000	888,665	65,707	43,707
2018	866,665	15,500	882,165	46,294	30,794
2019 to 2023	1,133,325	16,001	1,149,326	47,788	31,787
2024	66,690	500	67,190	1,494	994
	<u>\$ 5,533,340</u>	<u>\$ 159,001</u>	<u>\$ 5,692,341</u>	<u>\$ 474,883</u>	<u>\$ 315,882</u>

As indicated in the above schedule, the School Board will pay \$159,001 in interest using the 0.75% rate instead of \$474,883 using the 2.24% rate or a difference of \$315,882. The difference or contribution is netted with interest expense in the debt service fund.

Compensated Absences

At June 30, 2013, employees of the School Board have accumulated and vested \$10,897,887 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Post-Employment Benefits

Plan Description. Livingston Parish School Board participates in a fully insured health insurance and life insurance program administered by the Louisiana Office of Group Benefits (OGB).

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 plan provisions are contained in the official plan documents of the OGB, available at www.groupbenefits.org - "Quick Links" - "Health Plans". The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. The OGB "Medicare Advantage" plan has been assumed to apply to those employees after Medicare eligibility for purposes of 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 as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. For employees not covered by TRSL, it was assumed that age 60 and 10 years of service also applied in addition to the foregoing provisions.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the cost of the retiree life insurance. Since GASB 45 requires the use of "unblended" rates, management has used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions .

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

Fund Policy. Until Fiscal Year Ending June 30, 2007, the Livingston Parish School Board recognized the cost of providing post-employment medical and life benefits (the Livingston Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2007, the Livingston Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending June 30, 2013, the Livingston Parish School Board's portion of health care and life funding cost for retired employees totaled \$6,469,674. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table included in the Annual Required Contribution section below.

Annual Required Contribution. The Livingston Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2012 is \$12,544,691 as set forth below:

Normal Cost	\$ 4,482,383
30-year UAL amortization amount	<u>8,062,308</u>
Annual required contribution (ARC)	<u>\$12,544,691</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Net Post-employment Benefit Obligation (Asset). The table below shows the Livingston Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2013:

1. Net OPEB Obligation (Asset) – Beginning of Year	\$ 25,041,995
2. Annual Required Contribution	12,544,691
3. Interest on Net OPEB Obligation (Asset)	1,001,680
4. ARC Adjustment	<u>1,344,912</u>
5. OPEB Cost [2] + [3] - [4]	12,201,459
6. Contribution	-
7. Current Year Retiree Premium Paid	<u>6,469,674</u>
8. Change in Net OPEB Obligation [5] - [6] - [7]	<u>5,731,785</u>
9. Net OPEB Obligation (Asset) – End of Year [1] + [8]	<u><u>\$ 30,773,780</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net PEB Liability (Asset)</u>
June 30, 2009	\$ 8,089,054	62.34%	\$ 5,846,178
June 30, 2010	12,267,634	41.13%	13,068,594
June 30, 2011	11,819,796	47.98%	19,217,257
June 30, 2012	11,719,557	50.30%	25,041,995
June 30, 2013	12,201,459	53.02%	30,773,780

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Funded Status and Funding Progress. In the fiscal year ending June 30, 2013, the Livingston Parish School Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2013, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$139,414,286, which is defined as that portion, as determined by a particular actuarial cost method (the Livingston Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2012/2013, the entire actuarial accrued liability of \$139,414,286 was unfunded.

Actuarial Accrued Liability (AAL)	\$ 139,414,286
Actuarial Value of Plan Assets (AVPA)	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 139,414,286</u>
Funded Ratio (AVPA ÷ UAAL)	0%
Covered Payroll (active plan members)	\$ 120,412,022
UAAL as a percentage of covered payroll	115.78%

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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

Actuarial Value of Plan Assets. There are no assets as the School Board has not established a separate trust to hold the separate plan assets as of June 30, 2013. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 – 25	20.0%
26 – 40	12.0%
41 – 54	8.0%
55+	6.0%

Post employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. (three years in the D.R.O.P. plus an additional three years). 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 as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. For employees not covered by TRSL, it was assumed that age 60 and 10 years of service also applied in addition to the foregoing provisions. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the rate of return used in the course of its financial activity.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which the Internal Revenue Service has used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes. It has been assumed that the Humana Medicare Advantage program will be elected by 20% of retirees in the future.

(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 \$234,012 of fund balance of the General Fund at June 30, 2013, to cover the cost of future property damage not covered by insurance.

General Liability Insurance

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

The School Board made disbursements for liability claims of \$25,916 in the fiscal year ended June 30, 2013. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2013, amounted to \$255,102.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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, 2013, the School Board has assigned \$622,574 of the fund balance of the General Fund to cover future general liability damage claims.

Worker's Compensation Insurance

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

Each year the School Board compares the claims paid and the assigned fund balance for worker's compensation insurance to determine the amount of funds to be set aside that year. At June 30, 2013, the School Board has assigned \$89,747 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 \$1,087,153 in the fiscal year ended June 30, 2013. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2013, amounted to \$2,434,898.

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

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

During the current fiscal year, the School Board passed a motion to set aside funds in the amount of \$2,357,867 in the General Fund to be used to fund the Other Post Employment Benefits trust fund plan when adopted.

(13) Fund Equity - Committed to Capital Projects Fund -

The Capital Projects Fund shows total fund equity of \$5,026,685. A summary of commitments under construction contracts for each individual school district at June 30, 2013, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2013</u>	<u>Unexpended Commitment</u>
District #1	\$ 1,686,301	\$ 1,038,794	\$ 647,507
District #4	136,914	34,969	101,945
District #25	77,177	27,759	49,418
District #32	<u>380,066</u>	<u>364,440</u>	<u>15,626</u>
Total	<u>\$ 2,280,458</u>	<u>\$ 1,465,962</u>	<u>\$ 814,496</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

	Actual District Fund Balance at <u>June 30, 2013</u>	Unexpended Commitment <u>June 30, 2013</u>	Fund Balances Less Commitments <u>June 30, 2013</u>
District #1	\$ 742,148	\$ 647,507	\$ 94,641
District #4	1,027,489	101,945	925,544
District #22	971,046	-	971,046
District #24	858,662	-	858,662
District #25	344,536	49,418	295,118
District #26	453,898	-	453,898
District #27	88,558	-	88,558
District #31	349,971	-	349,971
District #32	61,056	15,626	45,430
District #33	<u>129,321</u>	<u>-</u>	<u>129,321</u>
	<u>\$ 5,026,685</u>	<u>\$ 814,496</u>	<u>\$ 4,212,189</u>

At June 30, 2013 the unexpended commitments are recorded in the Capital Projects Fund as fund balance committed to contracts to the extent of available fund balances of \$814,496.

(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, 2013, 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, 2013, a balance of \$23,741,254 is restricted for utilities and maintenance as a result of these sales tax levies.

Educational Excellence - In the current year and prior years, the School Board received payments from the State of Louisiana in connection with the State's settlement of its lawsuit with the tobacco industry. These funds can only be spent on classroom improvements as required by the State. Accordingly, the unspent monies at June 30, 2013 of \$1,620,568 are reflected as a restriction of fund balance.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

(15) Litigation and Claims -

At June 30, 2013, 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 2013.

	<u>Total</u> <u>Collections</u>	<u>Collection</u> <u>Cost</u>	<u>Final</u> <u>Distribution</u>
Livingston Parish Council	\$ 13,905,741	\$ 210,927	\$ 13,694,814
Law Enforcement Subdistrict A	6,953,018	107,963	6,845,055
Livingston Parish Drainage Districts:			
No. 1	1,023,194	17,908	1,005,286
No. 2	789,562	15,812	773,750
No. 5	1,455,702	27,187	1,428,515
City of Denham Springs	6,870,941	102,440	6,768,501
City of Walker	3,437,271	57,355	3,379,916
Town of Livingston	365,801	7,332	358,469
Village of Albany	326,471	6,583	319,888
Town of Springfield	371,357	7,730	363,627
Livingston Parish Tourist Commission	315,052	9,452	305,600
Denham Springs Economic Development District	3,749,477	166,241	3,583,236
Total	<u>\$ 39,563,587</u>	<u>\$ 736,930</u>	<u>\$ 38,826,657</u>

(17) Current Accounting Pronouncements -

The Governmental Accounting Standards Board issued GASBS 65 "Items Previously Reported as Assets and Liabilities." This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. This Statement amends the financial statement element classification of certain items previously reported as assets and liabilities to be consistent with the definitions in Concepts Statement 4. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. This Statement will be required to be adopted by the School Board for fiscal year ending June 30, 2014.

The Governmental Accounting Standards Board issued GASBS 66 -“Technical Corrections -2012 -an amendment of GASB Statements No. 10 and No. 62.” The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. This Statement will be required to be adopted by the School Board for fiscal year ending June 30, 2014.

In June 2012, the Governmental Accounting Standards Board issued GASBS 68 —“Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27.” The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between a

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

government's inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations and the resources available to satisfy those obligations. An additional objective of this Statement is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities. Statement No. 67, Financial Reporting for Pension Plans, establishes standards of financial reporting for defined benefit pension plans and defined contribution pension plans that are used to provide pensions that are within the scope of this Statement. The two Statements are closely related in some areas, and certain provisions of this Statement refer to Statement 67. This Statement will be required to be adopted by the School Board for fiscal year ending June 30, 2015.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for fiscal year ending June 30, 2014. Management currently believes the implementation of GASB 66 will not have a material effect on the School Board's financial statements. However, the implementation of GASB 65 will require a restatement of Net Position of the Governmental Activities as the carrying value of some deferred bond issuance cost components will not meet the GASB 65 definition of expenses allowed to be deferred and those that do meet the definition will be reported as deferred outflows.

SCHEDULES REQUIRED BY STATE LAW

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

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

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

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

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

General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources (Schedule 1)

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

- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

(No Differences Noted)

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

(No Differences Noted)

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

(No Differences Noted)

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

(No Differences Noted)

Number and Type of Public Schools (Schedule 3)

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

(No Differences Noted)

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

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

(No Differences Noted)

Public School Staff Data: Average Salaries (Schedule 5)

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

(No Differences Noted)

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

(No Differences Noted)

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in Procedure 5. Our procedures required us to trace a random sample of 10 classes to the October 1st roll books for those classes and determine if the class was properly classified on the schedule.

(Management was unable to obtain a detailed listing of classes from the Louisiana Department of Education for the school we selected to test so we were unable to trace a random sample of 10 classes to a detailed listing of classes for the school selected as of October 1st. As a result, we were unable to perform the required testing on Schedule 6.)

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

(No Differences Noted)

Graduation Exit Exam (GEE) (Schedule 8)

11. Our procedures required us to obtain test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.

(The GEE was discontinued for the June 30, 2013 fiscal year. As a result, Schedule 8 reports the last two years of historical data. There is no data to obtain, report or reconcile for 2013.)

iLEAP Tests (Schedule 9)

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

(No Differences Noted)

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

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

Respectfully submitted,

Harris T. Bourgeois, CPA

Denham Springs, Louisiana
December 16, 2013

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

FOR THE YEAR ENDED JUNE 30, 2013

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	71,492,474	
Other Instructional Staff Activities	8,251,646	
Instructional Staff Employee Benefits	35,329,489	
Purchased Professional and Technical Services	76,886	
Instructional Materials and Supplies	5,780,291	
Instructional Equipment	144,090	
	<hr/>	
Total Teacher and Student Interaction Activities		\$ 121,074,876

Other Instructional Activities		460,208
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Pupil Support Services	11,445,151	
Less: Equipment for Pupil Support Services	-	
	<hr/>	
Net Pupil Support Services		11,445,151

Instructional Staff Services	6,095,995	
Less: Equipment for Instructional Staff Services	7,487	
	<hr/>	
Net Instructional Staff Services		6,088,508

School Administration	13,040,471	
Less: Equipment for School Administration	-	
	<hr/>	
Net School Administration		13,040,471

Total General Fund Instructional Expenditures		<u>\$ 152,109,214</u>
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Total General Fund Equipment Expenditures		<u>\$ 942,438</u>
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(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2013

Certain Local Revenue Sources

Local Taxation Revenue:

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$ 1,417,000
Renewable Ad Valorem Tax	8,144,993
Debt Service Ad Valorem Tax	5,135,143
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	488,983
Result of Court Ordered Settlement (Ad Valorem)	475,171
Penalties/Interest on Ad Valorem Taxes	112,434
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	-

Sales Taxes

Sales and Use Taxes - Gross	35,935,674
Sales/Use Taxes - Court Settlement	-
Penalties/Interest on Sales/Use Taxes	-
Sales/Use Taxes Collected Due to TIF	1,412,716
Total Local Taxation Revenue	<u>\$ 53,122,114</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 49,772
Earnings from Other Real Property	48,691
Total Local Earnings on Investment in Real Property	<u>\$ 98,463</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 156,084
Revenue Sharing - Other Taxes	765,147
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 921,231</u>

Nonpublic Textbook Revenue	<u>\$ 2,433</u>
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Nonpublic Transportation Revenue	<u>\$ -</u>
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See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	5	0%	0	0%	0	0%	0	0%
Bachelor's Degree	1161	76%	0	0%	0	0%	0	0%
Master's Degree	272	18%	0	0%	47	64%	0	0%
Master's Degree + 30	72	5%	0	0%	23	32%	0	0%
Specialist in Education	11	1%	0	0%	3	4%	0	0%
Ph. D. or Ed. D.	6	0%	0	0%	0	0%	0	0%
Total	1,527	100%	0	0%	73	100%	0	0%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

NUMBER AND TYPE OF PUBLIC SCHOOLS

FOR THE YEAR ENDED JUNE 30, 2013

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

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

LIVINGSTON PARISH SCHOOL BOARD

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

AS OF OCTOBER 1, 2012

	0-1 Yr.	2-3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	3	5	10	4	5	27
Principals	-	-	1	3	11	9	22	46
Classroom Teachers	83	112	480	237	220	185	210	1,527
Total	83	112	484	245	241	198	237	1,600

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA: AVERAGE SALARIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$ 47,203	\$ 47,164
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 46,583	\$ 46,541
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,536	1,520

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

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	45.9%	1,691	48.4%	1,786	5.6%	205	0.1%	2
Elementary Activity Classes	22.7%	117	67.6%	349	8.9%	46	0.8%	4
Middle/Jr. High	31.8%	449	27.6%	389	39.3%	554	1.3%	19
Middle/Jr. High Activity Classes	16.5%	45	14.7%	40	39.5%	108	29.3%	80
High	56.7%	1,810	21.8%	695	20.9%	668	0.6%	20
High Activity Classes	74.7%	352	11.7%	55	8.5%	40	5.1%	24
Combination	81.5%	489	14.8%	89	3.5%	21	0.2%	1
Combination Activity Classes	72.5%	50	10.1%	7	11.6%	8	5.8%	4

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

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)

FOR THE YEAR ENDED JUNE 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	175	9%	146	8%	184	9%	244	12%	200	11%	229	11%
Mastery	609	30%	570	31%	596	28%	529	27%	515	28%	613	29%
Basic	917	46%	876	48%	997	47%	822	41%	843	46%	936	44%
Approaching Basic	230	12%	184	10%	246	12%	238	12%	205	11%	228	11%
Unsatisfactory	65	3%	56	3%	84	4%	166	8%	70	4%	102	5%
Total	1,996	100%	1,832	100%	2,107	100%	1,999	100%	1,833	100%	2,108	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	126	6%	197	12%	73	4%	68	3%	57	3%	95	5%
Mastery	488	25%	485	26%	491	23%	459	23%	415	22%	470	22%
Basic	1,023	51%	868	47%	1,149	54%	1,161	58%	1,054	58%	1,220	58%
Approaching Basic	305	15%	241	13%	333	16%	234	12%	218	12%	212	10%
Unsatisfactory	55	3%	41	2%	64	3%	75	4%	88	5%	110	5%
Total	1,997	100%	1,832	100%	2,110	100%	1,997	100%	1,832	100%	2,107	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	120	6%	109	6%	114	6%	58	3%	82	4%	98	6%
Mastery	504	26%	478	26%	438	25%	135	7%	119	7%	119	7%
Basic	962	49%	882	48%	846	48%	1,241	64%	1,129	62%	1,096	62%
Approaching Basic	310	16%	307	17%	311	18%	353	18%	352	19%	324	18%
Unsatisfactory	57	3%	46	3%	56	3%	164	8%	140	8%	129	7%
Total	1,953	100%	1,822	100%	1,765	100%	1,951	100%	1,822	100%	1,766	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	80	4%	89	5%	52	3%	83	4%	74	5%	73	4%
Mastery	540	28%	548	30%	523	30%	405	21%	424	23%	335	19%
Basic	960	49%	804	44%	780	44%	1,112	57%	983	54%	928	53%
Approaching Basic	310	16%	304	17%	309	18%	258	13%	242	13%	322	18%
Unsatisfactory	64	3%	67	4%	94	5%	95	5%	87	5%	99	6%
Total	1,954	100%	1,812	100%	1,758	100%	1,953	100%	1,810	100%	1,757	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

GRADUATION EXIT EXAM (GEE)

FOR THE YEAR ENDED JUNE 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced					15	1%					169	11%
Mastery					182	12%					281	18%
Basic					772	50%					702	46%
Approaching Basic					367	24%					202	13%
Unsatisfactory					193	13%					178	12%
Total					1,529	100%					1,532	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced			86	6%	55	4%			22	2%	11	1%
Mastery			343	24%	306	22%			167	12%	133	10%
Basic			626	45%	625	46%			833	59%	791	58%
Approaching Basic			240	17%	255	19%			268	19%	262	19%
Unsatisfactory			107	8%	118	9%			112	8%	158	12%
Total			1,402	100%	1,359	100%			1,402	100%	1,355	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS

FOR THE YEAR ENDED JUNE 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	130	7%	211	12%	147	8%	75	4%
Mastery	508	29%	446	25%	464	26%	431	24%
Basic	839	47%	820	46%	875	49%	901	51%
Approaching Basic	212	12%	206	12%	219	13%	249	14%
Unsatisfactory	92	5%	98	5%	75	4%	124	7%
Total	1,781	100%	1,781	100%	1,780	100%	1,780	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	104	5%	212	11%	126	7%	85	4%
Mastery	525	28%	330	17%	459	24%	364	19%
Basic	921	48%	1,000	53%	905	47%	1,034	54%
Approaching Basic	245	13%	211	11%	343	18%	277	15%
Unsatisfactory	113	6%	155	8%	76	4%	149	8%
Total	1,908	100%	1,908	100%	1,909	100%	1,909	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	60	3%	162	9%	96	5%	281	15%
Mastery	462	25%	285	15%	419	23%	396	21%
Basic	1,014	55%	1,032	56%	953	52%	844	46%
Approaching Basic	240	13%	234	13%	312	17%	213	12%
Unsatisfactory	68	4%	132	7%	65	3%	109	6%
Total	1,844	100%	1,845	100%	1,845	100%	1,843	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	130	7%	103	6%	58	3%	64	3%
Mastery	416	23%	262	14%	398	22%	366	20%
Basic	929	51%	1,046	57%	931	51%	968	53%
Approaching Basic	290	16%	286	16%	338	18%	268	15%
Unsatisfactory	67	3%	134	7%	107	6%	166	9%
Total	1,832	100%	1,831	100%	1,832	100%	1,832	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

I LEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	129	7%	248	12%	140	7%	29	2%
Mastery	590	30%	545	28%	640	33%	528	27%
Basic	888	45%	826	42%	842	43%	923	47%
Approaching Basic	243	12%	231	12%	277	14%	315	16%
Unsatisfactory	115	6%	115	6%	60	3%	164	8%
Total	1,965	100%	1,965	100%	1,959	100%	1,959	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	74	4%	190	10%	120	6%	75	4%
Mastery	514	26%	336	17%	505	26%	397	20%
Basic	1,000	51%	1,071	55%	947	48%	1,065	55%
Approaching Basic	270	14%	233	12%	323	17%	273	14%
Unsatisfactory	92	5%	120	6%	56	3%	141	7%
Total	1,950	100%	1,950	100%	1,951	100%	1,951	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	117	7%	161	8%	144	7%	273	15%
Mastery	469	25%	314	17%	499	27%	337	18%
Basic	981	52%	1,078	58%	893	48%	904	48%
Approaching Basic	230	12%	184	10%	275	15%	265	14%
Unsatisfactory	73	4%	133	7%	57	3%	88	5%
Total	1,870	100%	1,870	100%	1,868	100%	1,867	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	118	6%	107	6%	81	4%	121	6%
Mastery	453	23%	310	16%	591	30%	464	24%
Basic	992	51%	1,119	58%	836	43%	912	47%
Approaching Basic	308	16%	281	14%	361	19%	306	16%
Unsatisfactory	70	4%	124	6%	72	4%	138	7%
Total	1,941	100%	1,941	100%	1,941	100%	1,941	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	160	8%	230	12%	151	8%	75	4%
Mastery	523	27%	506	26%	543	28%	460	24%
Basic	936	48%	837	43%	899	46%	985	51%
Approaching Basic	205	11%	271	14%	282	15%	261	13%
Unsatisfactory	115	6%	95	5%	64	3%	158	8%
Total	1,939	100%	1,939	100%	1,939	100%	1,939	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	114	6%	131	7%	96	6%	140	8%
Mastery	473	27%	377	21%	499	28%	369	21%
Basic	899	51%	893	51%	831	47%	878	50%
Approaching Basic	207	12%	238	14%	285	16%	237	13%
Unsatisfactory	71	4%	124	7%	53	3%	140	8%
Total	1,764	100%	1,763	100%	1,764	100%	1,764	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	123	6%	200	10%	180	9%	399	20%
Mastery	509	26%	364	18%	637	32%	397	20%
Basic	1,018	51%	1,052	53%	826	41%	857	43%
Approaching Basic	246	12%	228	12%	270	14%	227	12%
Unsatisfactory	88	5%	143	7%	74	4%	107	5%
Total	1,984	100%	1,987	100%	1,987	100%	1,987	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	169	9%	75	4%	95	5%	128	7%
Mastery	445	23%	282	15%	502	26%	524	27%
Basic	973	51%	1,173	61%	886	46%	935	49%
Approaching Basic	283	15%	275	14%	343	18%	212	11%
Unsatisfactory	52	2%	117	6%	96	5%	123	6%
Total	1,922	100%	1,922	100%	1,922	100%	1,922	100%

See auditor's report.

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, 2013

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 1,180,667	\$ 1,130,186	\$ 1,348,187	\$ 857,541	\$ 371,905	\$ 453,225
Receivables	4,524	3,218	2,408	1,121	390	673
Total Assets	<u>\$ 1,185,191</u>	<u>\$ 1,133,404</u>	<u>\$ 1,350,595</u>	<u>\$ 858,662</u>	<u>\$ 372,295</u>	<u>\$ 453,898</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ 443,043	\$ 105,915	\$ 379,549	\$ -	\$ 27,759	\$ -
Total Liabilities	443,043	105,915	379,549	-	27,759	-
Fund Equity:						
Fund Balances:						
Committed To:						
Contracts	647,507	101,945	-	-	49,418	-
Assigned To:						
Capital Projects	94,641	925,544	971,046	858,662	295,118	453,898
Total Fund Equity	<u>742,148</u>	<u>1,027,489</u>	<u>971,046</u>	<u>858,662</u>	<u>344,536</u>	<u>453,898</u>
Total Liabilities and Fund Equity	<u>\$ 1,185,191</u>	<u>\$ 1,133,404</u>	<u>\$ 1,350,595</u>	<u>\$ 858,662</u>	<u>\$ 372,295</u>	<u>\$ 453,898</u>

See auditor's report.

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2013	2012
\$ 190,785	\$ 349,760	\$ 129,592	\$ 129,096	\$ -	\$ 6,140,944	\$ 13,127,008
707	211	503	225	-	13,980	20,978
<u>\$ 191,492</u>	<u>\$ 349,971</u>	<u>\$ 130,095</u>	<u>\$ 129,321</u>	<u>\$ -</u>	<u>\$ 6,154,924</u>	<u>\$ 13,147,986</u>
\$ 102,934	\$ -	\$ 69,039	\$ -	\$ -	\$ 1,128,239	\$ 4,316,107
102,934	-	69,039	-	-	1,128,239	4,316,107
-	-	15,626	-	-	814,496	5,670,376
<u>88,558</u>	<u>349,971</u>	<u>45,430</u>	<u>129,321</u>	<u>-</u>	<u>4,212,189</u>	<u>3,161,503</u>
<u>88,558</u>	<u>349,971</u>	<u>61,056</u>	<u>129,321</u>	<u>-</u>	<u>5,026,685</u>	<u>8,831,879</u>
<u>\$ 191,492</u>	<u>\$ 349,971</u>	<u>\$ 130,095</u>	<u>\$ 129,321</u>	<u>\$ -</u>	<u>\$ 6,154,924</u>	<u>\$ 13,147,986</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, 2013

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 675,668	\$ 480,650	\$ 359,550	\$ 167,456	\$ 58,255	\$ 100,431
Interest Earnings	12,952	9,206	6,914	3,221	1,122	1,910
Other	-	-	-	-	-	-
State Sources:						
Unrestricted						
Grants-in-Aid	70,590	50,216	37,563	17,495	6,086	10,492
Total Revenues	759,210	540,072	404,027	188,172	65,463	112,833
Expenditures:						
Support Services:						
General Administration	26,348	18,742	14,019	6,530	2,272	3,916
Capital Outlay	2,829,530	105,915	5,486,650	-	27,759	-
Total Expenditures	2,855,878	124,657	5,500,669	6,530	30,031	3,916
Excess (Deficiency) of Revenues over Expenditures	(2,096,668)	415,415	(5,096,642)	181,642	35,432	108,917
Other Financing Sources (Uses):						
Issuance of Long Term Debt	-	-	-	-	-	-
Transfers In	1,500,000	-	1,500,000	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,500,000	-	1,500,000	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(596,668)	415,415	(3,596,642)	181,642	35,432	108,917
Fund Balances at Beginning of Year	1,338,816	612,074	4,567,688	677,020	309,104	344,981
Fund Balances at End of Year	\$ 742,148	\$ 1,027,489	\$ 971,046	\$ 858,662	\$ 344,536	\$ 453,898

See auditor's report.

Schedule 11

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2013	2012
\$ 105,651	\$ 31,528	\$ 75,169	\$ 33,616	\$ -	\$ 2,087,974	\$ 2,059,328
2,014	596	1,475	639	-	40,049	66,052
-	-	-	-	-	-	16,636
<u>11,038</u>	<u>3,294</u>	<u>7,853</u>	<u>3,512</u>	<u>-</u>	<u>218,139</u>	<u>226,360</u>
118,703	35,418	84,497	37,767	-	2,346,162	2,368,376
4,120	1,229	2,931	1,311	-	81,418	166,655
<u>956,939</u>	<u>-</u>	<u>663,145</u>	<u>-</u>	<u>-</u>	<u>10,069,938</u>	<u>20,320,767</u>
<u>961,059</u>	<u>1,229</u>	<u>666,076</u>	<u>1,311</u>	<u>-</u>	<u>10,151,356</u>	<u>20,487,422</u>
(842,356)	34,189	(581,579)	36,456	-	(7,805,194)	(18,119,046)
-	-	-	-	-	-	10,000,000
625,000	-	375,000	-	-	4,000,000	6,000,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,617)</u>
<u>625,000</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>15,825,383</u>
(217,356)	34,189	(206,579)	36,456	-	(3,805,194)	(2,293,663)
<u>305,914</u>	<u>315,782</u>	<u>267,635</u>	<u>92,865</u>	<u>-</u>	<u>8,831,879</u>	<u>11,125,542</u>
<u>\$ 88,558</u>	<u>\$ 349,971</u>	<u>\$ 61,056</u>	<u>\$ 129,321</u>	<u>\$ -</u>	<u>\$ 5,026,685</u>	<u>\$ 8,831,879</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 Funds - Chapter 1 of the ESEA Title I Program is a program for educationally deprived school children residing in areas having high concentrations of children from low-income families. The Chapter 1 services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and local mandated activities.

Special Education Fund - The 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 Lunch Fund - The School Lunch Fund is a program that provides the students with balanced and nutritious meals. This program is federally financed, state-administered, and locally operated by the School Board.

Special Federal Fund - The Special Federal Fund is used to account for the Federal Funds and Grants previously reported in the General Fund. Some of the programs include vocational education, preschool program, job training partnership act, and the goals 2000 program.

Other Federal ESEA Fund - The Other Federal ESEA Fund is used to account for all other ESEA programs except for the Chapter I program. Those programs include the Drug-Free Schools program, the Eisenhower Grant program and the Class-Size Reduction program 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, 2013
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

ASSETS	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Chapter 1	Special Education	Maintenance of Schools	School Lunch
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,255,566	\$ 164,398
Receivables	2,332,456	1,705,702	20,644	45,598
Inventory	-	-	-	343,095
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ 2,332,456	\$ 1,705,702	\$ 2,276,210	\$ 553,091
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 31,147	\$ 15,751	\$ 267,503	\$ 42,871
Due to Other Funds	2,301,309	1,689,951	-	-
Total Liabilities	2,332,456	1,705,702	267,503	42,871
Fund Equity:				
Fund Balances - Nonspendable:				
Inventory	-	-	-	343,095
Restricted For:				
Debt Service	-	-	-	-
Maintenance of Schools	-	-	2,008,707	-
Assigned To:				
School Lunch Program	-	-	-	167,125
Total Fund Balances	-	-	2,008,707	510,220
Total Liabilities and Fund Equity	\$ 2,332,456	\$ 1,705,702	\$ 2,276,210	\$ 553,091

See auditor's report.

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2013	2012
\$ -	\$ -	\$ 3,819,359	\$ 6,239,323	\$ 7,323,145
1,317,382	444,215	166,647	6,032,644	4,385,743
-	-	-	343,095	272,969
<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
<u>\$ 1,317,382</u>	<u>\$ 444,215</u>	<u>\$ 5,486,006</u>	<u>\$ 14,115,062</u>	<u>\$ 13,481,857</u>
\$ 522	\$ 22,072	\$ 271	\$ 380,137	\$ 395,868
1,316,860	422,143	-	5,730,263	4,044,334
1,317,382	444,215	271	6,110,400	4,440,202
-	-	-	343,095	272,969
-	-	5,485,735	5,485,735	6,834,194
-	-	-	2,008,707	1,791,869
<u>-</u>	<u>-</u>	<u>-</u>	<u>167,125</u>	<u>142,623</u>
<u>-</u>	<u>-</u>	<u>5,485,735</u>	<u>8,004,662</u>	<u>9,041,655</u>
<u>\$ 1,317,382</u>	<u>\$ 444,215</u>	<u>\$ 5,486,006</u>	<u>\$ 14,115,062</u>	<u>\$ 13,481,857</u>

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act Chapter I	Special Education	Maintenance of Schools	School Lunch
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ 3,084,248	\$ -
Sales Taxes	-	-	-	-
Interest Earnings	-	-	24,031	364
Food Services	-	-	-	2,843,797
Other	-	-	-	52,328
State Sources - Unrestricted:				
Grants-in-Aid	-	-	223,926	402,250
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	225,428	196,870	-	-
Restricted Grants-in-Aid - Subgrants	4,810,757	4,346,778	-	6,715,209
Other - Commodities	-	-	-	842,401
Total Revenues	5,036,185	4,543,648	3,332,205	10,856,349
Expenditures:				
Instruction:				
Regular Programs	-	-	2,810	-
Special Programs	-	1,366,448	-	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	4,454,568	-	-	-
Support Services:				
Pupil Support	-	1,542,386	-	-
Instructional Staff Support	282,857	1,384,679	-	-
General Administration	-	-	120,492	-
School Administration	3,353	-	-	-
Business Services	-	-	-	-
Plant Services	-	1,305	3,467,065	-
Transportation Services	-	20,915	-	-
Food Services	-	-	-	12,511,721

(CONTINUED)

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2013	2012
\$ -	\$ -	\$ 5,387,932	\$ 8,472,180	\$ 8,514,111
-	-	1,535,765	1,535,765	1,155,206
-	-	87,136	111,531	79,198
-	-	-	2,843,797	3,364,693
-	-	-	52,328	14,938
-	-	-	626,176	622,090
34,334	42,496	-	499,128	483,353
2,481,062	939,043	-	19,292,849	19,852,693
-	-	-	842,401	735,602
<u>2,515,396</u>	<u>981,539</u>	<u>7,010,833</u>	<u>34,276,155</u>	<u>34,821,884</u>
-	-	-	2,810	-
3,083	-	-	1,369,531	1,214,378
287,916	-	-	287,916	285,912
134,141	-	-	134,141	105,506
1,900,021	293,301	-	6,647,890	6,123,763
44,885	-	-	1,587,271	1,665,002
24,043	645,742	-	2,337,321	3,400,683
-	-	218,884	339,376	355,116
-	-	-	3,353	3,200
286	-	-	286	20,521
78,979	-	-	3,547,349	3,319,307
168	-	-	21,083	23,350
-	-	-	12,511,721	12,814,339

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

SPECIAL REVENUE FUNDS

	<u>Elementary and Secondary Education Act Chapter 1</u>	<u>Special Education</u>	<u>Maintenance of Schools</u>	<u>School Lunch</u>
Expenditures (Continued):				
Community Service Programs	69,979	15,516	-	-
Capital Outlay	-	15,529	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Cost of Issuance	-	-	-	-
Total Expenditures	<u>4,810,757</u>	<u>4,346,778</u>	<u>3,590,367</u>	<u>12,511,721</u>
Excess (Deficiency) of Revenues Over Expenditures	225,428	196,870	(258,162)	(1,655,372)
Other Financing Sources (Uses):				
Bond Proceeds	-	-	-	-
Transfers In	-	-	475,000	1,750,000
Transfers Out	(225,428)	(196,870)	-	-
Payment to Refund Bonds	-	-	-	-
Total Other Financing Sources (Uses)	<u>(225,428)</u>	<u>(196,870)</u>	<u>475,000</u>	<u>1,750,000</u>
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	216,838	94,628
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>1,791,869</u>	<u>415,592</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,008,707</u>	<u>\$ 510,220</u>

See auditor's report.

SPECIAL REVENUE FUNDS

Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
			2013	2012
-	-	-	85,495	111,355
7,540	-	-	23,069	7,495
-	-	6,165,369	6,165,369	5,493,740
-	-	2,924,682	2,924,682	3,290,587
-	-	-	-	141,909
<u>2,481,062</u>	<u>939,043</u>	<u>9,308,935</u>	<u>37,988,663</u>	<u>38,376,163</u>
34,334	42,496	(2,298,102)	(3,712,508)	(3,554,279)
-	-	-	-	7,165,000
-	-	949,643	3,174,643	2,745,760
(34,334)	(42,496)	-	(499,128)	(483,353)
-	-	-	-	(6,980,000)
<u>(34,334)</u>	<u>(42,496)</u>	<u>949,643</u>	<u>2,675,515</u>	<u>2,447,407</u>
-	-	(1,348,459)	(1,036,993)	(1,106,872)
-	-	6,834,194	9,041,655	10,148,527
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,485,735</u>	<u>\$ 8,004,662</u>	<u>\$ 9,041,655</u>

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 4,571,068	\$ 6,038,457	\$ 5,036,185	\$ (1,002,272)
Total Revenues	4,571,068	6,038,457	5,036,185	(1,002,272)
Expenditures:				
Instruction - Other Programs	3,937,503	5,305,206	4,454,568	850,638
Support Services:				
Instructional Staff Support	358,409	369,202	282,857	86,345
School Administration	3,200	4,000	3,353	647
Community Services Programs	67,348	89,759	69,979	19,780
Total Expenditures	4,366,460	5,768,167	4,810,757	957,410
Excess of Revenues Over Expenditures	204,608	270,290	225,428	(44,862)
Other Financing Sources (Uses):				
Transfers Out	(204,608)	(270,290)	(225,428)	44,862
Total Other Financing Sources (Uses)	(204,608)	(270,290)	(225,428)	44,862
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 5,115,505	\$ 7,991,050	\$ 4,543,648	\$ (3,447,402)
Total Revenues	5,115,505	7,991,050	4,543,648	(3,447,402)
Expenditures:				
Instruction:				
Special Programs	1,747,469	3,890,197	1,366,448	2,523,749
Support Services:				
Pupil Support	1,672,937	1,800,459	1,542,386	258,073
Instructional Staff Support	1,381,445	1,763,806	1,384,679	379,127
Plant Services	5,000	5,000	1,305	3,695
Transportation Services	70,414	70,414	20,915	49,499
Community Service Programs	16,235	16,235	15,516	719
Capital Outlay	-	100,000	15,529	84,471
Total Expenditures	4,893,500	7,646,111	4,346,778	3,299,333
Excess of Revenues Over Expenditures	222,005	344,939	196,870	(148,069)
Other Financing Sources (Uses):				
Transfers Out	(222,005)	(344,939)	(196,870)	148,069
Total Other Financing Sources (Uses)	(222,005)	(344,939)	(196,870)	148,069
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - MAINTENANCE OF SCHOOLS

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

FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 2,857,000	\$ 3,100,000	\$ 3,084,248	\$ (15,752)
Interest Earnings	13,000	21,300	24,031	2,731
State Sources:				
Unrestricted:				
Grants-in-Aid	219,840	223,927	223,926	(1)
Total Revenues	3,089,840	3,345,227	3,332,205	(13,022)
Expenditures:				
Instruction:				
Regular Programs	28,130	5,200	2,810	2,390
Support Services:				
General Administration	114,852	120,492	120,492	-
Plant Services	4,001,933	4,157,833	3,467,065	690,768
Total Expenditures	4,144,915	4,283,525	3,590,367	693,158
Excess (Deficiency) of Revenues Over Expenditures	(1,055,075)	(938,298)	(258,162)	680,136
Other Financing Sources (Uses):				
Transfers In	1,190,000	1,310,000	475,000	(835,000)
Total Other Financing Sources (Uses)	1,190,000	1,310,000	475,000	(835,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	134,925	371,702	216,838	(154,864)
Fund Balance at Beginning of Year	1,791,869	1,791,869	1,791,869	-
Fund Balance at End of Year	\$ 1,926,794	\$ 2,163,571	\$ 2,008,707	\$ (154,864)

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - SCHOOL LUNCH

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

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget
Revenues:				
Local Sources:				
Interest Earnings	\$ 500	\$ 500	\$ 364	\$ (136)
Food Services	3,462,800	3,003,096	2,843,797	(159,299)
Other	15,000	30,000	52,328	22,328
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	6,700,000	6,715,500	6,715,209	(291)
Other - Commodities	799,202	799,202	842,401	43,199
Total Revenues	<u>11,379,752</u>	<u>10,950,548</u>	<u>10,856,349</u>	(94,199)
Expenditures:				
Support Services:				
Food Services	<u>13,811,165</u>	<u>12,979,383</u>	<u>12,511,721</u>	<u>467,662</u>
Total Expenditures	<u>13,811,165</u>	<u>12,979,383</u>	<u>12,511,721</u>	<u>467,662</u>
Deficiency of Revenues Over Expenditures	(2,431,413)	(2,028,835)	(1,655,372)	373,463
Other Financing Sources (Uses):				
Transfers In	<u>2,500,000</u>	<u>2,225,000</u>	<u>1,750,000</u>	<u>(475,000)</u>
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	68,587	196,165	94,628	(101,537)
Fund Balance at Beginning of Year	<u>415,592</u>	<u>415,592</u>	<u>415,592</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 484,179</u>	<u>\$ 611,757</u>	<u>\$ 510,220</u>	<u>\$ (101,537)</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - SPECIAL FEDERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 2,185,221	\$ 2,497,131	\$ 2,515,396	\$ 18,265
Total Revenues	2,185,221	2,497,131	2,515,396	18,265
Expenditures:				
Instruction:				
Special Programs	5,000	-	3,083	(3,083)
Vocational Programs	256,665	287,759	287,916	(157)
Adult and Continuing Education Program	104,770	134,640	134,141	499
Other Programs	1,543,330	1,822,207	1,900,021	(77,814)
Support Services:				
Pupil Support	45,262	57,490	44,885	12,605
Instructional Staff Support	71,689	71,647	24,043	47,604
Business Services	-	-	286	(286)
Plant Services	78,693	78,693	78,979	(286)
Transportation Services	602	602	168	434
Capital Outlay	-	7,540	7,540	-
Total Expenditures	2,106,011	2,460,578	2,481,062	(20,484)
Excess of Revenues Over Expenditures	79,210	36,553	34,334	(2,219)
Other Financing Sources (Uses):				
Transfers Out	(79,210)	(36,553)	(34,334)	2,219
Total Other Financing Sources (Uses)	(79,210)	(36,553)	(34,334)	2,219
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
SPECIAL REVENUE FUND - OTHER FEDERAL ESEA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 839,398	\$ 1,488,402	\$ 981,539	\$ (506,863)
Total Revenues	839,398	1,488,402	981,539	(506,863)
Expenditures:				
Instruction:				
Other Programs	224,745	374,982	293,301	81,681
Support Services:				
Instructional Staff Support	578,238	1,048,478	645,742	402,736
Total Expenditures	802,983	1,423,460	939,043	484,417
Excess of Revenues Over Expenditures	36,415	64,942	42,496	(22,446)
Other Financing Sources (Uses):				
Transfers Out	(36,415)	(64,942)	(42,496)	22,446
Total Other Financing Sources (Uses)	(36,415)	(64,942)	(42,496)	22,446
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2013

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 850,962	\$ 157,335	\$ 1,732,931	\$ 303,964	\$ 40,464	\$ 38,591
Investments	326,532	61,045	704,343	114,567	15,229	14,523
Sales Tax Receivable	-	-	131,044	-	-	-
Due from Other Government	16,956	4,871	7,574	460	-	-
Total Assets	<u>\$ 1,194,450</u>	<u>\$ 223,251</u>	<u>\$ 2,575,892</u>	<u>\$ 418,991</u>	<u>\$ 55,693</u>	<u>\$ 53,114</u>
LIABILITIES AND FUND EQUITY						
Accounts, Salaries and Other Payables	\$ 271	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	271	-	-	-	-	-
Fund Equity -						
Fund Balances:						
Restricted For:						
Debt Service	<u>1,194,179</u>	<u>223,251</u>	<u>2,575,892</u>	<u>418,991</u>	<u>55,693</u>	<u>53,114</u>
Total Fund Equity	<u>1,194,179</u>	<u>223,251</u>	<u>2,575,892</u>	<u>418,991</u>	<u>55,693</u>	<u>53,114</u>
Total Liabilities and Fund Equity	<u>\$ 1,194,450</u>	<u>\$ 223,251</u>	<u>\$ 2,575,892</u>	<u>\$ 418,991</u>	<u>\$ 55,693</u>	<u>\$ 53,114</u>

See auditor's report.

Schedule 15

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2013	2012
\$ 244,592	\$ 199,317	\$ 111,681	\$ 139,522	\$ 3,819,359	\$ 5,153,842
93,023	75,294	42,525	52,919	1,500,000	1,500,000
-	-	-	-	131,044	128,495
2,583	750	1,314	1,095	35,603	55,973
<u>\$ 340,198</u>	<u>\$ 275,361</u>	<u>\$ 155,520</u>	<u>\$ 193,536</u>	<u>\$ 5,486,006</u>	<u>\$ 6,838,310</u>
\$ -	\$ -	\$ -	\$ -	\$ 271	\$ 4,116
-	-	-	-	271	4,116
<u>340,198</u>	<u>275,361</u>	<u>155,520</u>	<u>193,536</u>	<u>5,485,735</u>	<u>6,834,194</u>
<u>340,198</u>	<u>275,361</u>	<u>155,520</u>	<u>193,536</u>	<u>5,485,735</u>	<u>6,834,194</u>
<u>\$ 340,198</u>	<u>\$ 275,361</u>	<u>\$ 155,520</u>	<u>\$ 193,536</u>	<u>\$ 5,486,006</u>	<u>\$ 6,838,310</u>

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

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

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 2,085,074	\$ 960,640	\$ 1,239,720	\$ 101,074	\$ 11,403	\$ 6,488
Sales Taxes	-	-	1,535,765	-	-	-
Interest Earnings	19,538	15,950	9,653	6,212	3,020	2,446
Total Revenues	2,104,612	976,590	2,785,138	107,286	14,423	8,934
Expenditures:						
Support Service:						
General Administration	83,808	39,135	53,020	3,969	-	-
Debt Service:						
Principal Retirement	1,715,000	1,480,000	1,885,000	258,704	-	-
Interest and Bank Charges	1,036,440	485,208	1,233,661	16,105	-	-
Cost of Issuance	-	-	-	-	-	-
Total Expenditures	2,835,248	2,004,343	3,171,681	278,778	-	-
Excess (Deficiency) of Revenues over Expenditures	(730,636)	(1,027,753)	(386,543)	(171,492)	14,423	8,934
Other Financing Sources (Uses):						
Bond Proceeds	-	-	-	-	-	-
Transfers In	-	842,000	-	34,978	-	-
Payment to Refund Bonds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	842,000	-	34,978	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(730,636)	(185,753)	(386,543)	(136,514)	14,423	8,934
Fund Balances at Beginning of Year	1,924,815	409,004	2,962,435	555,505	41,270	44,180
Fund Balances at End of Year	\$ 1,194,179	\$ 223,251	\$ 2,575,892	\$ 418,991	\$ 55,693	\$ 53,114

See auditor's report

Schedule 16

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2013	2012
\$ 148,384	\$ 266,216	\$ 351,418	\$ 217,515	\$ 5,387,932	\$ 5,631,056
-	-	-	-	1,535,765	1,155,206
<u>2,609</u>	<u>11,831</u>	<u>14,636</u>	<u>1,241</u>	<u>87,136</u>	<u>61,427</u>
150,993	278,047	366,054	218,756	7,010,833	6,847,689
7,001	7,442	14,534	9,975	218,884	240,264
240,000	156,665	250,000	180,000	6,165,369	5,493,740
15,559	25,990	49,278	62,441	2,924,682	3,290,587
-	-	-	-	-	141,909
<u>262,560</u>	<u>190,097</u>	<u>313,812</u>	<u>252,416</u>	<u>9,308,935</u>	<u>9,166,500</u>
(111,567)	87,950	52,242	(33,660)	(2,298,102)	(2,318,811)
-	-	-	-	-	7,165,000
-	72,665	-	-	949,643	956,143
-	-	-	-	-	<u>(6,980,000)</u>
-	<u>72,665</u>	-	-	<u>949,643</u>	<u>1,141,143</u>
(111,567)	160,615	52,242	(33,660)	(1,348,459)	(1,177,668)
<u>451,765</u>	<u>114,746</u>	<u>103,278</u>	<u>227,196</u>	<u>6,834,194</u>	<u>8,011,862</u>
<u>\$ 340,198</u>	<u>\$ 275,361</u>	<u>\$ 155,520</u>	<u>\$ 193,536</u>	<u>\$ 5,485,735</u>	<u>\$ 6,834,194</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.

In addition, the Sales Tax Fund 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%	

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

	School Activity	Sales Tax	Total Fiduciary Funds	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
ASSETS				
Cash and Cash Equivalents	\$ 5,365,078	\$ 3,142,991	\$ 8,508,069	\$ 8,139,538
Total Assets	<u>\$ 5,365,078</u>	<u>\$ 3,142,991</u>	<u>\$ 8,508,069</u>	<u>\$ 8,139,538</u>
LIABILITIES				
Amounts Held for School Activities	\$ 5,365,078	\$ -	\$ 5,365,078	\$ 4,975,436
Deposits Due to Others	<u>-</u>	<u>3,142,991</u>	<u>3,142,991</u>	<u>3,164,102</u>
Total Liabilities	<u>\$ 5,365,078</u>	<u>\$ 3,142,991</u>	<u>\$ 8,508,069</u>	<u>\$ 8,139,538</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

School	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Albany High	\$ 135,443	\$ 467,004	\$ 449,393	\$ 153,054
Albany Middle School	153,587	228,230	215,308	166,509
Albany Upper Elementary	40,569	88,283	88,076	40,776
Albany Lower Elementary	110,697	142,034	145,768	106,963
Denham Springs High	113,322	1,278,557	1,184,041	207,838
Denham Springs Freshman High	117,897	159,419	142,427	134,889
Denham Springs Junior High	124,699	322,901	272,153	175,447
Denham Springs Elementary	48,460	145,027	139,538	53,949
Doyle High	110,238	308,109	289,454	128,893
Doyle Elementary	104,616	139,376	137,301	106,691
Eastside Elementary	97,915	140,551	131,639	106,827
French Settlement High	154,172	258,756	245,049	167,879
French Settlement Elementary	167,607	83,372	82,098	168,881
Freshwater Elementary	70,679	94,176	102,386	62,469
Frost Elementary	55,154	140,046	141,023	54,177
Gray's Creek Elementary	55,615	160,341	162,173	53,783
Holden High	198,153	338,364	332,361	204,156
Juban Parc Junior High	93,738	208,900	184,812	117,826
Juban Parc Elementary	64,960	142,855	158,222	49,593
Levi Milton Elementary	79,056	208,936	213,532	74,460
Lewis Vincent Elementary	81,336	127,516	113,820	95,032
Live Oak High	363,998	1,283,847	1,242,827	405,018
Live Oak Middle School	306,299	803,046	840,281	269,064
Live Oak Elementary	165,429	175,450	196,953	143,926
Livingston Parish Literary & Tech Center	7,271	49,756	46,986	10,041
Maurepas High	59,868	249,328	214,188	95,008

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

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

FOR THE YEAR ENDED JUNE 30, 2013

<u>School</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
North Corbin Junior High	130,308	276,688	246,855	160,141
North Corbin Elementary	235,330	157,630	151,151	241,809
North Live Oak Elementary	119,878	321,600	318,459	123,019
Northside Elementary	67,748	100,662	105,185	63,225
Option III	5,464	45,884	45,866	5,482
Pine Ridge School	24,759	34,894	36,667	22,986
Seventh Ward Elementary	51,652	113,271	120,857	44,066
South Fork Elementary	62,821	119,869	146,338	36,352
South Live Oak Elementary	163,119	245,794	212,220	196,693
South Walker Elementary	121,110	207,802	207,699	121,213
Southside Junior High	140,811	176,385	161,781	155,415
Southside Elementary	168,963	107,467	126,682	149,748
Springfield High	96,600	351,801	319,375	129,026
Springfield Middle School	77,467	171,552	159,045	89,974
Springfield Elementary	56,482	133,150	112,167	77,465
Walker High	139,985	984,636	994,663	129,958
Walker Freshman High	56,094	156,447	130,488	82,053
Walker Elementary School	62,560	143,484	128,064	77,980
Westside Junior High School	113,507	317,192	325,375	105,324
Total	<u>\$ 4,975,436</u>	<u>\$ 11,910,388</u>	<u>\$ 11,520,746</u>	<u>\$ 5,365,078</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	Sales Tax Fund	
	<u>2013</u>	<u>2012</u>
Deposits Due Others at Beginning of Year	\$ 3,164,102	\$ 2,802,288
Additions:		
Sales Tax Collections	75,716,054	70,272,398
Deductions:		
Transfers to:		
General Fund:		
Sales Tax	34,155,896	32,495,758
District No. 33	96,179	94,604
Sales Tax Collection Fee	741,590	639,010
Debt Service - District No. 22	1,533,216	1,107,982
Livingston Parish Sheriff	6,845,055	6,433,075
Livingston Parish Council	13,694,814	12,871,018
Livingston Parish Tourist Commission	305,600	256,358
Livingston Parish Drainage Districts:		
No. 1	1,005,286	904,208
No. 2	773,750	535,868
No. 5	1,428,515	1,457,832
City of Denham Springs	6,768,501	6,509,226
Denham Springs Economic Development District	3,583,236	1,889,656
City of Walker	3,379,916	3,534,511
Town of Livingston	358,469	348,559
Town of Springfield	363,627	356,218
Village of Albany	319,888	316,789
Refunds to Vendors	383,627	159,912
Total Reductions	<u>75,737,165</u>	<u>69,910,584</u>
Deposits Due Others at End of Year	\$ <u>3,142,991</u>	\$ <u>3,164,102</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Keith Martin	\$ 9,600	\$ 9,120
Malcolm Sibley *	10,800	10,260
Karen Schmitt	9,600	9,120
Jeffrey Cox	9,600	9,120
Milton Hughes	9,600	9,120
Sidney L. Kinchen	9,600	9,120
Albert C. Mincey, Jr.	9,600	9,120
Kellie Dickerson	9,600	9,120
James V. Watson	<u>9,600</u>	<u>9,120</u>
 Total	 \$ 87,600	 \$ 83,220
	<u><u> </u></u>	<u><u> </u></u>

Term of Current Board Expires December 31, 2014.

*Received Board President supplement since January 1, 2011.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

<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	\$ 842,401
Passed Through Louisiana Department of Education:			
National Breakfast Program [1]	10.553	N/A	1,463,747
National School Lunch Program [1]	10.555	N/A	<u>5,251,462</u>
Total United States Department of Agriculture			7,557,610
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	136,179
Educationally Deprived Children - Local Educational Agencies: IASA Title I [2]	84.010	05-IASA-32-1	5,036,185
Handicapped State Grants: Special Education IDEA [3]	84.027	05-FT-32	4,543,648

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

<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>			
Vocational Education - Basic Grants to States	84.048	N/A	295,901
Handicapped - Preschool Grants:			
Preschool Flow-thru [3]	84.173	05-PI-32-S	57,786
Title III-Immigrant Set Aside	84.365A	N/A	22,356
Title II - Improving Teacher Quality - State Grants	84.367	N/A	901,958
Other NCLB Programs	84.365A	N/A	57,225
Readiness Emergency Management System	84.184E	N/A	78,689
Personnel Development	84.323A	N/A	10,000
Heap	84.938A	N/A	<u>26,397</u>
Total Passed Through Louisiana Department of Education			11,166,324
 <u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
T.A.N.F. - Strategies to Empower People [4]	93.558	N/A	5,456
LA 4 [4]	93.558	N/A	<u>1,904,988</u>
Total United States Department of Health and Human Services			1,910,444

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

<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 Homeland Security</u>			
Passed Through State of Louisiana, Military Department Office of Homeland Security and Preparedness			
Disaster Grants - Public Assistance	97.036	N/A	<u>280,192</u>
Total Passed Through State of Louisiana Military Department			<u>280,192</u>
Total Expenditures of Federal Awards			<u>\$20,914,570</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, 2013

Note A - Significant Accounting Policies -

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Livingston Parish School Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B - Food Distribution Program -

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2013, the Livingston Parish School Board had food commodities totaling \$76,665 in inventory.

See auditor's report.

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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2013, 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 16, 2013. We have also audited the financial statements of each of the School Board's major capital projects fund combining statements, nonmajor governmental funds combining statements, each special revenue funds budgetary comparison statements and each fiduciary fund as of and for the year ended June 30, 2013 as listed in the table of contents.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School Board in a separate letter dated December 16, 2013

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,

Hannia J. Bougeois, CPA

Denham Springs, Louisiana
December 16, 2013

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

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Livingston Parish School Board's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Livingston Parish School Board's major federal programs for the year ended June 30, 2013. Livingston Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each of the Other Major Federal Programs

In our opinion, the Livingston Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Livingston Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Livingston Parish School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Livingston Parish School Board's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Harold J. Bourgeois, CPA

Denham Springs, Louisiana
December 16, 2013

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

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

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

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Education</u> Passed Through Louisiana Department of Education	
Title I Grants to Local Educational Agencies ¹	84.010
Vocational Education – Basic Grants to States	84.048

- The threshold for distinguishing Types A and B programs was \$627,437.
- The School Board was determined to be a low-risk auditee.

¹Title I, Part A Cluster

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

B. Findings - Internal Control Over Financial Reporting

None

C. Findings - Compliance and Other Matters

None

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2013

A. Findings - Internal Control Over Financial Reporting

None

B. Findings - Compliance and Other Matters

None

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December 16, 2013

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

In planning and performing our audit of the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana, for the year ended June 30, 2013, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding the matters. This letter does not affect our report dated December 16, 2013, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

CURRENT YEAR FINDINGS:

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

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

PRIOR YEAR FINDINGS:

Creation of Irrevocable Trust Fund

Finding:

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

In addition, GASB 45 suggests the creation of an irrevocable trust fund to accumulate funds for the payment of these accumulated OPEB liabilities. As of June 30, 2012 and 2013, the School Board OPEB liability has accumulated to \$25,041,995 and \$30,773,780, respectively, and is expected to increase approximately \$6 million each year. The School Board has not taken steps to create this irrevocable trust fund as of June 30, 2013. The purpose of the irrevocable trust fund is to pay the OPEB liability into the trust fund which should create an investment return and reduce the OPEB accumulated liability.

Recommendation:

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

Management Response:

Management concurs with this finding and will evaluate creating an irrevocable trust fund. As of June 30, 2013, management has assigned \$2,357,867 of the School Board's fund balance for other post employment benefits.

Internal Auditor

Finding:

In our previous audits and again in the current year audit, we noted the Livingston Parish School Board does not have an internal auditor that reports directly to the Board. The objectives of an internal auditor is to review and evaluate policies and procedures, recording of accounting transactions, and determining compliance with grant requirements. These procedures are more detailed in scope than those of an external audit. At June 30, 2013, the School Board is an operation with assets in excess of \$276 million and annual operating budgets in excess of \$225 million. With operations of this size, it is possible that some policies and procedures can be inadvertently and intentionally omitted and/or completed incorrectly and not be detected or noticed.

Recommendation:

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

Additional Recommendation:

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

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

Management Response:

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

Independent Information Technology Review

Finding:

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

Recommendation:

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

Management Response:

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

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

Respectfully submitted,

Hannu L. Bourgeois, CPA