

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the fiscal year ended
June 30, 2017**



ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

FRONT COVER
"Louisiana Summer Bayou"

by Summer Batiste - Grade 11
Lakeshore High School
Teacher: Kristal Robyn Kennedy

**ST. TAMMANY PARISH
SCHOOL BOARD**
Covington, Louisiana

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2017

Prepared by:
DEPARTMENT OF BUSINESS AFFAIRS
Terri Prevost, CPA, Director of Business Affairs



ST. TAMMANY

PARISH PUBLIC SCHOOLS

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W. L. "Trey" Foise, III
Superintendent

Pete Jabbia
Associate Superintendent

Michael Cossé
Assistant Superintendent

Regina Sanford, Ph.D.
Assistant Superintendent

December 2, 2017

District	Board Members
13	Robin P. Mullett, President
3	Michael J. Dirmann, Vice President
1	Neal M. Hennegan
2	Elizabeth B. Heinz
4	Stephen J. "Jack" Loup, III
5	Charles T. Harrell
6	Michael C. Nation
7	Willie B. Jeter
8	Peggy H. Seeley
9	Sharon Lo Drucker
10	Ronald "Ron" Belfencourtt
11	Robert R. "Bob" Womack
12	Richard "Rickey" Hursey, Jr.
14	Dennis S. Cousin
15	Mary K. Bellisario

**The Members of the
St. Tammany Parish School Board
and the Citizens of St. Tammany Parish
Covington, Louisiana**

The comprehensive annual financial report of the St. Tammany Parish School Board (the School Board) for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in an objective manner to present the financial position and results of operations of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

LaPorte, A Professional Accounting Corporation, has issued an unmodified (clean) opinion on the St. Tammany Parish School Board's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of the report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards; schedule of findings and questioned costs; the 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 and the report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance, are included in the Single Audit Section of this report.

This report includes all funds and activities for which the School Board exercises financial accountability. The School Board is a legislative body authorized to govern the public education system of St. Tammany Parish, Louisiana (the Parish). A fifteen-member board governs the school system with each member serving a concurrent four-year term. The current board's term will expire in 2018.

Learning to Last a Lifetime.®

v

PROFILE OF SCHOOL BOARD

It is the responsibility of the School Board to make public education available to the residents of St. Tammany Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance, and bus transportation. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade twelve. These include regular and enriched academic education, special education for qualifying students, and career/technical education. The school system has a current enrollment of 38,549 as of October 1, 2017, which includes 1,456 pre-kindergarten students.

The School Board is authorized to establish public schools as it deems necessary, provide adequate school facilities for the children of the Parish, determine the number of teachers to be employed, and determine the local supplement to their salaries. Accordingly, since the School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. See footnote 1A for more information.

ECONOMIC CONDITION AND OUTLOOK

St. Tammany Parish is one of the southeastern parishes (counties) of Louisiana and covers an area of 1,141 square miles. St. Tammany Parish is located directly north of New Orleans on the north shore of Lake Pontchartrain. The Parish's population and economic base continues to expand. The population of St. Tammany Parish is estimated at 253,602.

The economy of St. Tammany Parish is primarily residential, which has brought an influx of retail and service establishments, offices, and shopping centers. However, there is a unique blend of residents employed in a variety of diverse industries ranging from agriculture to space-aged technology. St. Tammany Parish's transportation accessibility, low business costs, availability of labor, low crime rate, and first-rate medical facilities encourage continued growth. Commercial building permits decreased by an average of 23.9%, and employment decreased by 0.1%, as compared to 2015-2016, while electric customer count, single-family building permits, and Parish total sales were up by 1.7%, down by 11.2%, and up 4.9%, respectively, as compared to 2015-2016. The unemployment rate in the Parish of 4.7% is lower than the average of 5.7% for the state but higher than the national rate of 4.4%. New business incorporations increased by 41.5% when compared to 2015-2016.

LONG-TERM FINANCIAL PLANNING

Currently, the fund balance of the General Fund (23.6% of revenues and 24.5% of expenditures) exceeds the School Board policy maximum guideline of 19% of expenditures by approximately 5%.

Our General Fund continues to be impacted by increased costs of workers compensation claims, employee health insurance benefits, and other state unfunded mandates. The School Board continues to have declines in state and federal funding.

The School Board has restructured expenditures to utilize existing federal and state funding efficiently. We continue to monitor expenditures and to evaluate all employment positions as employees retire. We anticipate an increase in student enrollment and are hopeful for continued increases in our local revenue sources. St. Tammany Parish ranks as one of the highest growth areas in Louisiana, so our local revenues should continue on an upward trend as well.

MAJOR INITIATIVES

In 2005-2006, the School Board began work on some new educational initiatives. These initiatives are designed to continue moving our schools towards higher achievement and expand on safety in our schools. Some of the programs started in 2005-2006 and continuing through 2016-2017 are the School Board's implementation of the guaranteed curriculum, increased elementary planning time, and safe and caring schools. The cost of these programs is relatively low when compared to the positive impact that is expected from these programs.

The School Board also started an energy conservation effort throughout the Parish. Through a focused initiative with our employees educating them on the need to conserve energy and effective ways to impact conservation, the School Board has saved a significant amount of money spent on heating, cooling and lighting. Thus far, the amount saved on utilities exceeds \$22 million. The school safety plan and technology initiative were funded by a bond issue approved by voters in March 2008 and May 2013. In the past five years, the School Board and schools received several distinguished awards and recognitions: 2010 Grand Prize Magna Award Winner for energy conservation, a Top 100 School Systems Recognition by Money Magazine, Seven National Schools of Excellence by the U.S. Department of Education, School Watch What Parents Want Award Winner, 27 National Food Service Awards by U.S. Department of Agriculture and National Food Service Association, 14 Presidential Awards for Excellence in Mathematics and Science Teaching by National Science Foundation, Energy Milestone Award, and Energy Star-Leader Certificate Recipient. Our school system earned an A letter grade by the Louisiana Department of Education as a result of our academic performance for the 2016-2017 school year, and our Superintendent was named the Louisiana Superintendent of the Year for the 2016-17 school year.

The School Board continues to make progress on its major capital expansion programs of its existing school facilities. All existing facilities continue to be renovated and improved. Facilities are in excellent condition as the result of bond approvals by voters on average every five years. This expansion program started in 1996 and continues today. The School Board will have spent in excess of \$581 million on this initiative, and an additional \$62 million is planned for the next three years. The average age of our schools is 40 years, but a major renovation has occurred at each school every 5 years since 1996. Improvements to our facilities are resulting in efficient use of space and alignment with advances in construction.

This expansion project has enabled the School Board to reduce the student/teacher ratio for all classrooms. The majority of pre-kindergarten through third grade classrooms have on average a maximum class size of 20 students.

Student/teacher ratios are just one piece of the puzzle when it comes to achieving higher levels of success through student achievement. The School Board has over time become a magnet for attracting highly skilled, experienced, certified teachers, and administrators. The School Board workforce includes 2,733 full-time, certificated teachers with 37.83 percent of teachers possessing an advanced degree. Sixty percent of our teachers have more than 10 years teaching experience, and all of our principals and assistant principals minimally possess a master's degree and teacher certification.

The school system has experienced significant gains in student achievement levels by lowering the student/teacher ratios across the board, retaining more qualified teachers and administrators, and dedicating our staff to reach higher goals. The St. Tammany Parish School Board was ranked number one in the State of Louisiana for District Performance Scores (DPS) from 2003-2005 and continues to be consistently in the top 10 in the state.

Currently, the St. Tammany Parish School District maintains AdvancED certification for all 55 schools. The St. Tammany Parish school system became the first school district in Louisiana to earn "district-wide" accreditation in 2005 and continues to be one of only a few in the nation to have such accreditation. The school system received reaccreditation in 2010 and again in 2015.

The School Board's Parent Involvement Program is utilized in every school in the system. The goal of this program is to involve parents in the child's education in whatever capacity the parents offer (first aid assistant, library aide, classroom tutor, parenting workshop, etc.). Each year, our parent volunteers donate the equivalent of millions of dollars in volunteer hours. Our parents make up 50% of the State of Louisiana's Parent Teacher Association (PTA).

On May 4, 2013, the School Board asked voters to consider a \$135 million bond renewal package for construction, technology, and school safety; a rededication of existing property tax millage of 3.44 mills to allow these funds to be used for salaries and benefits; and a new 3 mill property tax millage to provide additional support for the school system. All three of these proposals were passed by the voters of St. Tammany Parish. The support provided to our school system by the voters of St. Tammany Parish is crucial to the success of this school system.

FINANCIAL INFORMATION

Internal Controls: Management of the School Board is responsible for establishing and maintaining internal controls ensuring that the assets of the School Board are protected from loss, theft, or misuse and ensure that adequate accounting data are compiled allowing for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit: As a recipient of federal, state, and local financial assistance, the School Board also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the School Board's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2017, provided no instances of material weaknesses in internal controls. The report for this year is located on pages 148 - 159.

Budgeting Controls: In addition, the School Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annual appropriated budgets, including all subsequent amendments, approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function or project level within the individual funds. The School Board also maintains an encumbrance accounting system as one technique of accomplishing budgetary control throughout the year. Encumbered amounts in all funds lapse at year-end; however, encumbrances generally are reappropriated as part of the next year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

Debt Administration: At June 30, 2017, the School Board had a number of debt issues outstanding, totaling \$230.8 million. Not included in the School Board's long-term debt are \$92.8 million in defeased debt. The Notes to Basic Financial Statements contain more detailed information on these bonds.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent certified public accountants. The accounting and auditing firm of LaPorte, A Professional Accounting Corporation, performed the fiscal year 2017 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act, as amended, and related Uniform Guidance. The independent auditor's report on the financial statements is included in the financial section of this report. The independent auditor's reports related specifically to the Single Audit Act are included in the Single Audit Section which begins on 148.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The St. Tammany Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2016, by the Association of School Business Officials International (ASBO). The award certifies that the school system has presented its comprehensive annual financial report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO. Receiving the award is recognition that the school system has met the highest standards of excellence in school financial reporting.

Both a Certificate of Achievement (GFOA) and a Certificate of Excellence (ASBO) are valid for a period of one year only. The St. Tammany Parish School Board has received both certificates for the last twenty-nine consecutive years. We believe our current comprehensive annual financial report continues to conform to the program requirements of both organizations, and we are submitting it to GFOA and ASBO to determine its eligibility for each of the certificates.

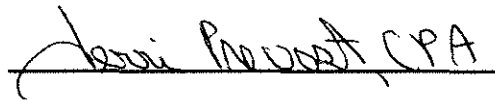
Acknowledgements: The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Affairs Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In addition, our gratitude is extended to the Arts Department for their valuable assistance in the design of this report and to the student whose art is displayed on the cover of the report.

In closing, without the leadership and support of the Members of the School Board, both individually and collectively, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William L. Folse III", written over a horizontal line.

William L. "Trey" Folse, III
Superintendent

A handwritten signature in black ink, appearing to read "Terri Prevost, CPA", written over a horizontal line.

Terri Prevost, CPA
Director of Business Affairs



ST. TAMMANY

PARISH PUBLIC SCHOOLS



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**St. Tammany Parish School Board
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

St. Tammany Parish School Board

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'.

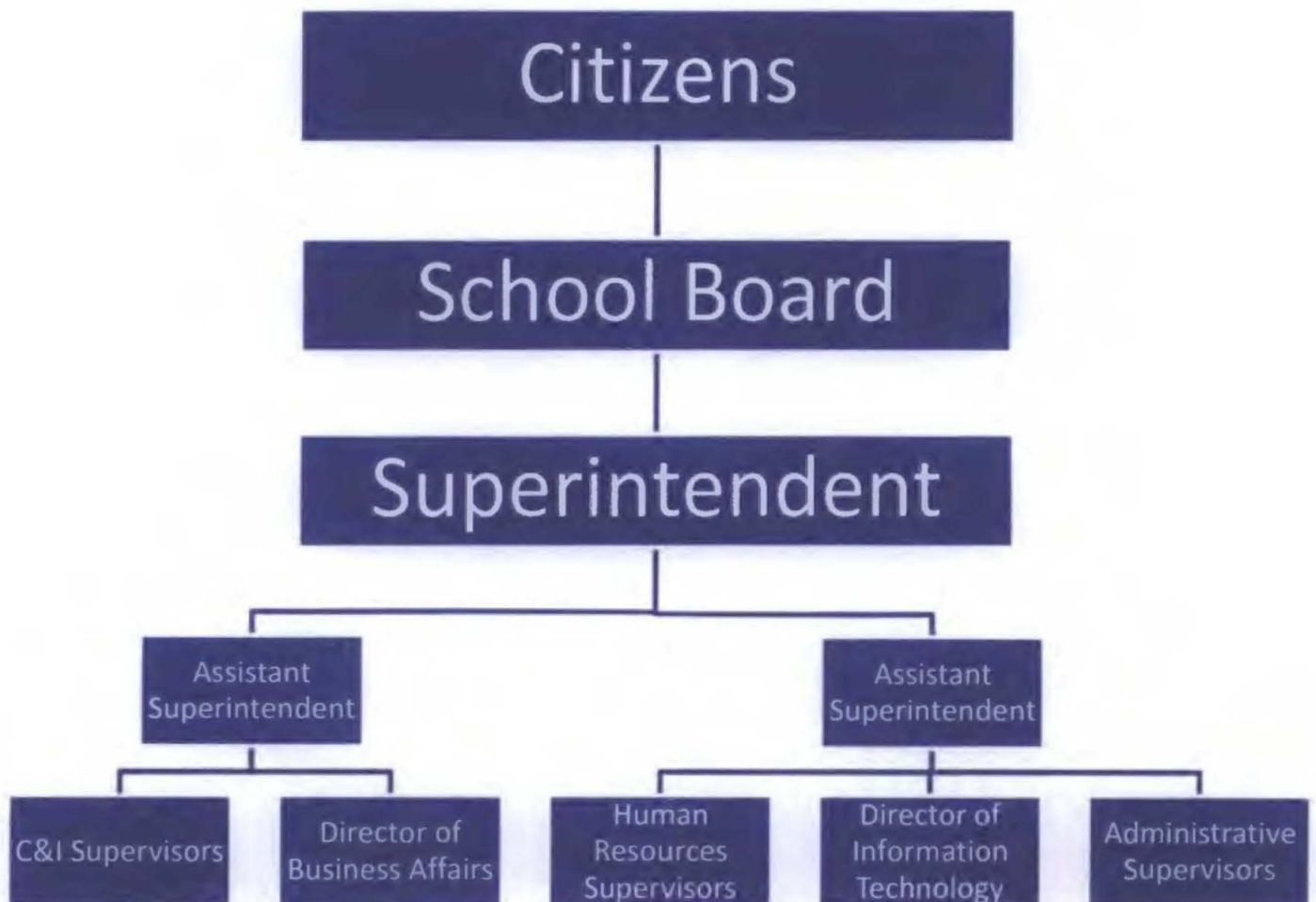
Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



St. Tammany Parish Public School System



St. Tammany Parish School Board

Principal Officials

School Board Members

Robin P. Mullett- <i>President</i>	District 13
Michael J. Dirmann - <i>Vice-President</i>	District 3
Neal M. Hennegan	District 1
Elizabeth B. Heintz	District 2
Stephen J. “Jack” Loup, III	District 4
Charles T. Harrell	District 5
Michael C. Nation	District 6
Willie B. Jeter	District 7
Peggy H. Seeley	District 8
Sharon Lo Drucker	District 9
Ronald “Ron” L. Bettencourtt	District 10
Robert R. “Bob” Womack	District 11
Richard “Rickey” Hursey, Jr.	District 12
Dennis S. Cousin	District 14
Mary K. Bellisario	District 15

Administrative Officials

William “Trey” Folse, III, *Superintendent*
Peter J. Jabbia, *Assistant Superintendent*
Michael Cosse, *Assistant Superintendent*
Regina Sanford, *Assistant Superintendent*
Terri Prevost, CPA *Director of Business Affairs*
Louis Boullion, *Director of Information Technology*



ST. TAMMANY

PARISH PUBLIC SCHOOLS



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Independent Auditor's Report

To the Members of the
St. Tammany Parish School Board
Covington, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish School Board (the School Board) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, and the aggregate remaining fund information of the St. Tammany Parish School Board as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 to 14, and the budgetary comparison information, other post-employment benefits information, net pension liability information, and notes to required supplementary information on pages 75 to 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual non-major fund financial statements, the budgetary comparison schedules for the non-major funds, the fiduciary fund financial statements, the schedule of board members' compensation, and the schedule of compensation, benefits, and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information referred to in the preceding paragraph is the responsibility of management and was derived from and relates 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 combining and individual non-major fund financial statements, the budgetary comparison schedules for the non-major funds, the fiduciary fund financial statements, the schedule of board members' compensation, and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 2, 2017 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the School Board's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
December 2, 2017

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY
INFORMATION**

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

As management of the St. Tammany Parish School Board (the School Board), we offer readers of the St. Tammany Parish School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v - x, and the School Board's financial statements, which begin on page 15.

FINANCIAL HIGHLIGHTS

The financial highlights for the St. Tammany Parish School Board for fiscal year ended June 30, 2017, were:

- The School Board's General Fund expended \$399.8 million in fiscal year ended June 30, 2017 on education for St. Tammany Parish (the Parish). Over 76.8% of the expenditures were spent on instructional and support programs and 14.3% spent on administration and operation/maintenance of schools.
- The School Board's General Fund revenues on a budgetary basis for fiscal year ended June 30, 2017, were approximately \$415.3 million. The largest single sources of non-federal funds were from the State of Louisiana Minimum Foundation Program (\$211.7 million), ad valorem taxes (\$96.7 million), and sales and use taxes (\$96.5 million).
- The liabilities and deferred inflows of the St. Tammany Parish School Board exceeded its assets and deferred outflows at the close of the year by \$267.7 million, a change of \$4.8 million from 2016.
- The St. Tammany Parish School Board's net position increased by \$4.8 million. There were increases in ad valorem taxes of \$5.3 million and increases in sales and use taxes of \$3.1 million. Also, there was a \$3.4 million increase from the State of Louisiana through the Minimum Foundation Program and additional appropriations.
- The School Board's governmental funds reported combined ending fund balances of \$187.9 million, an increase of \$5.7 million in comparison to the prior year. In 2017, increases in property values in St. Tammany Parish increased revenues received from ad valorem taxes and revenues received per student. Sales taxes in the Parish also increased with the improvements in the economy.
- The School Board expended approximately \$43.6 million on capital projects in 2016-2017. The majority of these expenditures were on construction of additional classrooms and renovations to existing schools and support facilities.
- The School Board's General Fund on a budgetary basis had an increase of \$11.5 million in fund balance.
- As of June 30, 2017, the School Board had \$230.8 million in bonds outstanding.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the St. Tammany Parish School Board's basic financial statements. The St. Tammany Parish School Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements include the statement of net position and the statement of activities (on pages 15 and 16, respectively); they provide information about the financial position of the School Board as a whole and present a longer-term view of the School Board's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School Board's operations in more detail than the government-wide statements by providing information about the School Board's most significant funds. The fiduciary fund statements provide financial information about activities for which the School Board acts solely as a trustee or agent for the benefit of those outside of the government.

Our auditor has provided assurance in its independent auditor's report, located immediately preceding this management's discussion and analysis (MD&A), that the basic financial statements are fairly stated. The auditor has also provided varying degrees of assurance regarding the required supplementary information and other supplementary information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the financial statements.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 25 - 74 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 82 - 105 of this report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of the School Board as a whole begins on page 15. One of the most important questions asked about the School Board's finances is, "Is the School Board as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the School Board as a whole and about activities in a way that helps answer this question. These statements include *all* assets and deferred outflows and liabilities and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's *net position* and changes in the net position. You can think of the School Board's net position (the difference between assets and deferred outflows and liabilities and deferred inflows) as one way to measure the School Board's financial health, or *financial position*. Over time, *increases or decreases* in the School Board's net position are indicators of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School Board's property tax base and the condition of the schools, to assess the *overall financial health* of the School Board.

In 2016-2017, the School Board's financial position increased with its net position increasing \$4.8 million from a \$272.4 deficit in 2015-2016 to a \$267.7 deficit in 2016-2017. \$46.4 million of the School Board's net position is restricted for debt service, operational purposes, and food service, leaving a deficit of \$592.8 million in unrestricted net position.

In the statement of net position and the statement of activities, the School Board can be divided into two kinds of activities:

Governmental Activities - Most of the School Board's basic services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales and use taxes, Minimum Foundation Program (MFP) funds, and state and federal grants finance most of these activities. In the internal service funds, the School Board charges fees to departments to help cover the costs of certain services it provides by being self-insured. The School Board's general liability and workers' compensation programs are accounted for here.

Business-Type Activities - Business-type activities are those activities which are conducted by the School Board whereby the fees/charges for those services provided are intended to be sufficient to realize a profit. The School Board did not have any such activities.

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the School Board's governmental activities.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

**TABLE 1
SUMMARY OF NET POSITION
(in Thousands)**

	Governmental Activities	
	2017	2016
Assets		
Current and Other Assets	\$ 319,898	\$ 226,593
Capital Assets	439,201	488,381
Total Assets	759,099	714,974
Deferred Outflows of Resources	116,335	66,789
Liabilities		
Current Liabilities	90,136	73,220
Long-Term Liabilities	1,035,988	953,618
Total Liabilities	1,126,124	1,026,838
Deferred Inflows of Resources	16,983	27,348
Net Position		
Net Investment in Capital Assets	278,725	275,819
Restricted	46,432	42,655
Unrestricted	(592,830)	(590,897)
Total Net Position	\$ (267,673)	\$ (272,423)

The largest portion of the School Board's net position is an unrestricted deficit of \$592.8 million. The unrestricted deficit is primarily made up of the net pension liability of \$602.4 million. This deficit is not expected to consume the resources of the School Board in the next fiscal year since the net pension liability is long-term in nature. Payments for this liability will be budgeted in the year that actual payments are expected to be made.

The School Board's net position also includes its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although, the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position (-17.3%) represents resources to be used to pay the remaining amount of outstanding debt, restricted resources for construction projects, and restricted resources for food service programs.

At June 30, 2017 and 2016, the School Board was not able to report positive balances in its unrestricted net position. Increases in the liability for postemployment benefits and net pension liability contributed to the deficit in unrestricted net position.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

**TABLE 2
SUMMARY OF CHANGES IN NET POSITION
(in Thousands)**

	Governmental Activities	
	2017	2016
Revenues		
Program Revenues:		
Charges for Services	\$ 5,360	\$ 5,163
Operating Grants and Contributions	47,307	46,210
Capital Grants and Contributions	170	-
General Revenues:		
Ad Valorem (Property) Taxes	131,361	126,035
Sales and Use Taxes	96,520	93,372
Minimum Foundation Program	217,614	214,216
Other General Revenues	5,124	22,168
Total Revenues	503,456	507,164
Program Expenses		
Regular Programs	175,753	165,509
Special Education Programs	82,805	79,960
Vocational Education Programs	6,748	6,614
Other Instructional Programs	9,947	8,697
Special Programs	14,273	7,532
Pupil Support	29,894	27,071
Instructional Staff Support	16,343	15,209
General Administration	9,686	13,199
School Administration	25,650	24,023
Business Administration	2,877	2,611
Operation and Maintenance of Plant	43,736	39,959
Pupil Transportation	35,492	34,383
Central Services	10,310	7,707
Food Service	24,952	23,430
Community Services Programs	1,435	1,417
Interest on Long-Term Debt	8,805	8,666
Total Expenses	498,706	465,987
Change in Net Position	4,750	41,177
Beginning Net Position	(272,423)	(313,600)
Ending Net Position	\$ (267,673)	\$ (272,423)

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

The School Board's net position increased by \$4.8 million. There were increases in ad valorem taxes of \$5.3 million and increases in sales and use taxes of \$3.1 million. Also, there was a \$3.4 million increase from the State of Louisiana through the Minimum Foundation Program and additional appropriations.

Revenues decreased by .7% or approximately \$3.8 million. The majority of this decrease was from the one-time \$15.4 million B.P. Oil Settlement received in 2015-2016. Revenue increases in ad valorem taxes, sales tax, and the State of Louisiana through the Minimum Foundation Program helped offset the overall decrease.

Student enrollment had an increase from 38,439 students in 2016 to 38,681 students in 2017. MFP funding increased as a result of this growth.

Expenses increased 0.02% or approximately \$.1 million in 2017. Salary and benefits costs account for nearly all of the increase.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

The School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements begin on page 17 and provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by state law or by bond covenants. However, the School Board establishes other funds to help it control and manage financial resources for particular purposes or to demonstrate that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The School Board's three types of funds - governmental, proprietary, and fiduciary funds - use different accounting approaches.

Governmental Funds - Most of the School Board's basic services are reported in the governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations on pages 18 and 20.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

The School Board's governmental funds reported combined ending fund balances of \$187.9 million, an increase of \$5.7 million (see Statements C and E) in comparison with the prior year. The components of this increase are described below.

The fund balance for the General Fund was \$107.9 million, which was an increase of \$11.5 million from 2016. General Fund expenditures, before transfers and other financing uses, for 2017 increased by 1.5%, or \$6.1 million. Operating expenditures increased mainly due to the increase in salaries and related benefits.

General Fund revenue before transfers and other financing sources increased 1.7%, or \$7.1 million. Revenues increased through the Minimum Foundation Program grant for 2017. Also, ad valorem taxes increased as a result of increased property values, and sales taxes increased as a result of improvements in the area's economy.

The 2013 Construction Fund accounts for the expenditures of the \$135 million in general obligation bonds approved by voters to finance capital improvements for new construction and improvements to existing facilities. Expenses in this fund decreased by \$1.8 million, or 4.0%. Decreases in expenditures were a result of a decrease in facility construction and improvements in 2017. These expenditures include construction projects for school improvements and school technology as outlined in the Capital Improvement Plan approved by voters in 2013. Many of the construction projects were completed in 2015-2016 causing a decrease in construction expenditures for 2016-2017.

The Debt Service Fund account was established to meet the requirements of bond ordinances, and is used to account for the accumulation of resources for and the payment of long-term debt principal, interest, and related costs. Revenues in this fund increased by \$2.2 million, or 6.7%, over 2016. Expenses in this fund decreased by \$2.6 million, or 7.7%. Decreases in expenditures were a result of a decrease in principal and interest payments in 2017.

Proprietary Funds - When the School Board charges for the services it provides - whether to outside sources or to other units of the School Board - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and statement of activities. The School Board maintains two internal service funds. An internal service fund accumulates and allocates costs internally among the School Board's various functions.

The School Board maintains separate internal service funds to account for the self-insured portion of its general liability and employee workers' compensation programs.

Because the services provided in these funds benefit governmental rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

Fiduciary Funds - The School Board is trustee, or fiduciary, for its student activity funds that are under the control and administration of the School Board. All of the School Board's fiduciary activities are reported in the statement of fiduciary assets and liabilities on page 24. These funds are not available to the School Board to finance its operations and, therefore, are not included in the government-wide financial statements. The School Board is responsible for ensuring that the assets reported by these funds are used for their intended purposes.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

\$6.0 million increase in projected revenues as follows:

- \$1.6 million increase in ad valorem taxes.
- \$1.4 million increase in Minimum Foundation Program.
- \$3.7 million increase in sales taxes.
- \$1.1 million decrease in Medicaid revenues.
- \$.4 million increase in other revenue.

\$3.6 million increase in projected expenditures as follows:

- \$3.1 million increase in employee salaries and benefits.

Differences between the final amended budget and actual results can be briefly summarized as follows:

Expenditures - \$5.1 million positive variance with final budget as follows:

- Decrease in health insurance costs and workers' compensation costs from 2016.
- Operation and maintenance expenditures were lower than anticipated for the last months of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, the School Board has invested in a broad range of capital assets, including land, school facilities, and equipment totaling \$512.4 million. (See Table 3 below.) There was a net increase in capital assets in 2017 of \$24.0 million. The School Board changed its capitalization policy effective July 1, 2008, from \$1,000 to \$5,000. This change was mandated by the Louisiana Department of Education. More detailed information of capital assets can be found in Note 5.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

**TABLE 3
CAPITAL ASSETS AT YEAR-END
(Net of Depreciation, in Thousands)**

	Governmental Activities	
	2017	2016
Land	\$ 18,694	\$ 18,216
Land Improvements	9,684	9,824
Buildings and Improvements	423,503	395,509
Equipment	6,014	5,556
Construction in Progress	54,459	59,276
Total	\$ 512,354	\$ 488,381

The construction projects for 2016-2017, were mainly for classroom additions and renovations throughout the Parish.

Long-Term Debt

As of June 30, 2017, the School Board had \$1.06 billion in long-term debt outstanding, an increase of \$86.4 million, or 8.8%, over the amount at June 30, 2016 - as shown in Table 4 below:

**TABLE 4
OUTSTANDING DEBT AT YEAR-END
(in Thousands)**

	Governmental Activities	
	2017	2016
General Obligation Bonds (Backed by the School Board), Net of Unamortized Premium (Discount)	\$ 245,875	\$ 234,326
Qualified School Construction Bonds	2,667	3,000
Capital Lease	1,253	1,394
Net Pension Liability	602,380	540,400
Other Postemployment Benefits	197,457	184,312
Compensated Absences	18,325	18,166
Total	\$ 1,067,957	\$ 981,598

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

The School Board continued to pay down its outstanding debt issues. The School Board's bond rating in 2016-2017 was AA by *Standard & Poor's*. The State constitution limits the amount of general obligation debt that the School Board can issue to 35.0% of the assessed value of all taxable property within the school district. The School Board's outstanding general obligation debt of \$228.1 million is significantly below the current \$866.1 million limit. Other postemployment retirement benefits increased by \$13.1 million. Net pension liability increased by \$62.0 million.

The School Board initiated a risk management program for general liability, workers' compensation, and health insurance in prior years. The School Board purchases commercial insurance for claims in excess of coverage provided through its self-insurance funds. The School Board had \$12.9 million and \$14.8 million in claims and judgments outstanding for fiscal years ended June 30, 2017 and 2016, respectively. Other obligations include accrued vacation pay and sick leave. More detailed information about the School Board's long-term liabilities is presented in Notes 6, 7, and 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following are currently known St. Tammany Parish economic factors considered into the 2017-2018 fiscal year:

- Sales taxes rate of growth is projected to continue with modest growth. St. Tammany Parish remains one of the wealthiest parishes in the State of Louisiana.
- The School Board's student attendance is expected to continue to remain constant for the next couple of years. Enrollment as of October 1, 2017, was 38,549 for a decrease of 132 students over October 1, 2016.
- The retirement system contributions will increase effective July 1, 2017. The Teachers' Retirement System of Louisiana increased the employer contribution rate from 25.5% to 26.6%. The Louisiana School Employees' Retirement System increased the employer contribution rate from 27.3% to 27.6%. This proposed increase in employer contributions is expected to cost the School Board an additional \$3.4 million for 2018.
- The School Board's fiscal year 2018 budget for capital projects is expected to decrease as the voters approved a new bond construction and technology referendum in May 2013 and these projects are reaching completion phases. The referendum was for \$15.0 million in technology and \$125.0 million in capital projects for new classrooms and various school and building renovations.
- Projected ad valorem taxes for 2017-2018 indicate increases of approximately \$1 million due to increases in property values.
- Employees were given pay increases for the 2017-2018 school year. Highly effective certificated employees as rated by the Compass system were given \$500 one-time stipends.

All of these factors were considered in preparing the St. Tammany Parish School Board's budget for the 2017-2018 fiscal year.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Management's Discussion and Analysis

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Terri Prevost, Director of Business Services at the St. Tammany Parish School Board, P.O. Box 940, Covington, LA 70434-0940, or by calling (985) 898-3217 during regular business hours, Monday through Friday, from 8:30 a.m. to 4:30 p.m., Central Standard Time.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS:
GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Statement A

**Statement of Net Position
June 30, 2017**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 150,589,260
Investments	1,947,806
Receivables	
Taxes:	
Ad Valorem	1,507,014
Sales and Use	16,207,464
Intergovernmental:	
Federal	4,227,976
State	119,552
Other Receivables	237,628
Prepays	1,186,387
Deposits	300,000
Inventory	478,671
Restricted Cash and Cash Equivalents	37,255,034
Restricted Investments	32,688,209
Capital Assets not Being Depreciated	
Land	18,693,989
Construction in Progress	54,459,177
Capital Assets, Net of Accumulated Depreciation	
Land Improvements	9,684,207
Buildings and Improvements	423,502,830
Furniture and Equipment	6,014,114
Total Assets	\$ 759,099,318
Deferred Outflows of Resources	
Deferred Charges - Bond Refunding	\$ 4,092,268
Deferred Outflows - Pensions	112,242,585
Total Deferred Outflows of Resources	\$ 116,334,853
Liabilities	
Salaries and Wages Payable	\$ 32,153,698
Accounts Payable	7,413,070
Accrued Interest Payable	3,118,938
Retainages Payable	2,246,429
Other Liabilities	313,367
Long-Term Liabilities	
Due within One Year	
Bonds Payable	21,273,333
Capital Lease Payable	144,457
Compensated Absences	13,783,382
Claims and Judgments	9,688,799
Due in More than One Year	
Bond Payable, Net of Unamortized Premium (Discount)	227,268,510
Capital Lease Payable	1,108,631
Compensated Absences	4,541,473
Claims and Judgments	3,232,863
Net Pension Liability	602,379,475
Other Postemployment Benefits	197,457,397
Total Liabilities	\$ 1,126,123,822
Deferred Inflows of Resources	
Deferred Inflows - Pensions	\$ 16,982,930
Total Deferred Inflows of Resources	\$ 16,982,930
Net Position	
Net Investment in Capital Assets	\$ 278,725,385
Restricted for:	
Debt Service	27,068,577
Operational Purposes	16,526,650
Food Service	2,836,344
Unrestricted	(592,829,537)
Total Net Position	\$ (267,672,581)

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Statement B

**Statement of Activities
For the Year Ended June 30, 2017**

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs					
Instruction:					
Regular Programs	\$ 175,753,408	\$ 542,350	\$ 16,971,532	\$ -	\$ (158,239,526)
Special Education Programs	82,805,092	-	7,996,030	-	(74,809,062)
Vocational Educational Programs	6,747,530	-	651,571	-	(6,095,959)
Other Instructional Programs	9,946,540	-	960,483	-	(8,986,057)
Special Programs	14,272,772	-	1,378,243	-	(12,894,529)
Support Services:					
Pupil Support	29,894,159	-	2,886,713	-	(27,007,446)
Instructional Staff Support	16,342,945	-	1,578,148	-	(14,764,797)
General Administration	9,685,533	-	935,279	-	(8,750,254)
School Administration	25,649,616	-	2,476,842	-	(23,172,774)
Business Administration	2,877,076	-	277,824	-	(2,599,252)
Operation and Maintenance of Plant	43,735,630	-	4,223,308	170,518	(39,341,804)
Pupil Transportation	35,491,892	-	3,427,256	-	(32,064,636)
Central Services	10,310,417	-	995,620	-	(9,314,797)
Food Services	24,951,943	3,606,992	2,409,471	-	(18,935,480)
Community Service Programs	1,435,367	1,210,581	138,605	-	(86,181)
Interest on Long-Term Debt	8,805,812	-	-	-	(8,805,812)
Total Governmental Activities	\$ 498,705,732	\$ 5,359,923	\$ 47,306,925	\$ 170,518	(445,868,366)
General Revenues:					
Taxes:					
Ad Valorem (Property) Taxes					131,360,661
Sales and Use Taxes					96,519,698
State Revenue Sharing					1,958,581
Grants and Contributions not Restricted to					
Specific Programs - Minimum Foundation Program					217,614,516
Restricted State Appropriation					1,201,689
Earnings on Investments and Net Decrease in the					
Fair Value of Investments					893,043
Miscellaneous					1,070,872
Total General Revenues					450,619,060
Change in Net Position					4,750,694
Net Position, Beginning of Year					(272,423,275)
Net Position, End of Year					\$ (267,672,581)

The accompanying notes are an integral part of these financial statements.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Statement C

**Governmental Funds - Balance Sheet
June 30, 2017**

	Non-Major Fund Types				Total
	General	2013 Construction	Debt Service	Other Governmental	
Assets					
Cash and Cash Equivalents	\$ 119,253,872	\$ -	\$ -	\$ 22,205,256	\$ 141,459,128
Receivables:					
Taxes:					
Ad Valorem	1,100,023	-	406,991	-	1,507,014
Sales and Use	16,207,464	-	-	-	16,207,464
Intergovernmental:					
Federal	25,997	-	-	4,201,979	4,227,976
State	905	-	-	118,647	119,552
Other	125,565	46,458	45,194	19,464	236,681
Prepays	1,186,387	-	-	-	1,186,387
Deposits	300,000	-	-	-	300,000
Due from Other Funds	7,047,090	-	-	66,926	7,114,016
Inventory	-	-	-	478,671	478,671
Restricted Cash and Cash Equivalents	-	9,702,595	20,615,728	6,936,711	37,255,034
Restricted Investments	-	13,137,082	9,979,010	9,572,117	32,688,209
Total Assets	\$ 145,247,303	\$ 22,886,135	\$ 31,046,923	\$ 43,599,771	\$ 242,780,132
Liabilities and Fund Balances					
Liabilities					
Salaries and Withholdings Payable	\$ 29,776,787	\$ -	\$ -	\$ 2,376,911	\$ 32,153,698
Accounts Payable	1,924,524	4,546,427	-	894,576	7,365,527
Contracts and Retainage Payable	-	2,173,709	-	72,720	2,246,429
Due to Other Funds	1,085,388	-	859,408	6,429,220	8,374,016
Other Liabilities	87,183	-	-	226,184	313,367
Claims Liabilities	4,472,961	-	-	-	4,472,961
Total Liabilities	37,346,843	6,720,136	859,408	9,999,611	54,925,998
Fund Balances					
Non-Spendable:					
Inventory	-	-	-	478,671	478,671
Prepays	1,186,387	-	-	-	1,186,387
Restricted for:					
Construction	-	16,165,999	-	-	16,165,999
Debt Service	-	-	30,187,515	-	30,187,515
Operational Purposes	-	-	-	16,526,650	16,526,650
Food Service	-	-	-	2,836,344	2,836,344
Committed for:					
Bond Rating	20,854,282	-	-	-	20,854,282
Special Programs	-	-	-	12,422,842	12,422,842
Assigned for:					
Construction	-	-	-	1,335,653	1,335,653
Local Priorities	85,859,791	-	-	-	85,859,791
Unassigned	-	-	-	-	-
Total Fund Balances	107,900,460	16,165,999	30,187,515	33,600,160	187,854,134
Total Liabilities and Fund Balances	\$ 145,247,303	\$ 22,886,135	\$ 31,046,923	\$ 43,599,771	\$ 242,780,132

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
As of June 30, 2017**

For the Year Ended June 30, 2017 \$ 187,854,134

The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as expenditures in governmental funds. The statement of net position includes those capital assets among the assets of the School Board as a whole. The costs of those assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of Capital Assets	\$ 899,780,553	
Accumulated Depreciation	<u>(387,426,236)</u>	512,354,317

Deferred outflows of resources represent consumption of net position applicable to future periods and are, therefore, not reported in the funds.

Pensions	112,242,585	
Bond Refunding	<u>4,092,268</u>	116,334,853

Elimination of Interfund Assets and Liabilities

Interfund Assets	(7,114,016)	
Interfund Liabilities	<u>8,374,016</u>	1,260,000

Net position of the internal service funds is reported as proprietary fund type in the fund financial statements but included as governmental activities in the government-wide financial statements less interfund balances eliminated in the consolidation into the governmental activities.

Total Net Position	3,842,641	
Interfund Balances	<u>(1,260,000)</u>	2,582,641

Deferred inflows of resources represent acquisition of net position applicable to future periods and are, therefore, not reported in the funds.

Pensions		(16,982,930)
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Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Balances at June 30, 2017, are:

Accrued Interest Payable	(3,118,938)	
Bonds Payable	(230,781,667)	
Capital Lease	(1,253,088)	
Unamortized Bond Premium	(18,023,446)	
Unamortized Bond Discount	263,270	
Other Postemployment Benefits	(197,457,397)	
Pension Liability	(602,379,475)	
Compensated Absences	<u>(18,324,855)</u>	(1,071,075,596)

Net Position - Governmental Activities		<u>\$ (267,672,581)</u>
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The accompanying notes are an integral part of these financial statements.

**Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2017**

	2013			Non-Major	Total
	General	Construction Fund	Debt Service	Fund Types Other Governmental	
Revenues					
Local Sources:					
Taxes:					
Ad Valorem	\$ 96,719,925	\$ -	\$ 34,640,736	\$ -	\$ 131,360,661
Sales and Use	96,519,698	-	-	-	96,519,698
Tuition	1,574,531	-	-	178,400	1,752,931
Earnings on Investments	471,029	267,093	177,780	211,444	1,127,346
Net Decrease in the Fair Value of Investments	-	(89,394)	(71,840)	(73,069)	(234,303)
Food Service	-	-	-	3,606,992	3,606,992
Other	4,367,743	-	-	408,179	4,775,922
State Sources:					
Minimum Foundation Program	211,749,516	-	-	5,865,000	217,614,516
Restricted Appropriation	1,201,689	-	-	-	1,201,689
Contributions to Teachers' Retirement	18,615	-	-	-	18,615
Revenue Sharing	1,958,581	-	-	-	1,958,581
Professional Improvement Program	72,999	-	-	-	72,999
Other	191,886	-	-	2,996,652	3,188,538
Federal Sources	499,491	-	-	38,236,057	38,735,548
Total Revenues	415,345,703	177,699	34,746,676	51,429,655	501,699,733
Expenditures					
Current:					
Instruction:					
Regular Education Programs	161,498,322	-	-	1,396,188	162,894,510
Special Education Programs	69,416,475	-	-	7,330,230	76,746,705
Vocational Education Programs	5,985,347	-	-	268,503	6,253,850
Other Instructional Programs	8,711,414	-	-	507,393	9,218,807
Special Programs	2,582,974	-	-	10,646,539	13,229,513
Support Services:					
Pupil Support	25,350,753	-	-	2,356,217	27,706,970
Instructional Staff Support	9,839,094	-	-	5,308,128	15,147,222
General Administration	7,810,955	28,218	1,131,760	5,964	8,976,897
School Administration	23,765,632	-	-	7,344	23,772,976
Business Administration	2,666,577	-	-	-	2,666,577
Operation and Maintenance of Plant	37,158,025	3,360,663	-	16,049	40,534,737
Pupil Transportation	32,528,734	-	-	366,415	32,895,149
Central Services	9,494,261	-	-	61,801	9,556,062
Food Service	-	-	-	23,126,347	23,126,347
Community Service Programs	1,330,349	-	-	-	1,330,349
Facilities Acquisition and Construction	1,026,755	39,165,637	-	3,390,785	43,583,177
Debt Service:					
Bond Issuance Costs	31,199	99,037	7,000	-	137,236
Principal Retirement	474,542	-	20,475,000	-	20,949,542
Interest and Bond Charges	88,069	-	9,472,215	-	9,560,284
Total Expenditures	399,759,477	42,653,555	31,085,975	54,787,903	528,286,910
Excess (Deficiency) of Revenues Over Expenditures	15,586,226	(42,475,856)	3,660,701	(3,358,248)	(26,587,177)
Other Financing Sources (Uses)					
Transfers In	1,324,699	-	-	5,413,000	6,737,699
Transfers Out	(5,413,000)	-	-	(1,324,699)	(6,737,699)
Premium Received on Bonds Issued	-	2,483,880	1,084,668	-	3,568,548
Discount on Bonds Issued	-	-	(59,340)	-	(59,340)
Bonds Issued	-	30,000,000	-	-	30,000,000
Refunding Bonds Issued	-	-	9,890,000	-	9,890,000
Payment to Refunded Bonds Escrow Agent	-	-	(11,115,578)	-	(11,115,578)
Total Other Financing Sources (Uses)	(4,088,301)	32,483,880	(200,250)	4,088,301	32,283,630
Net Change in Fund Balances	11,497,925	(9,991,976)	3,460,451	730,053	5,696,453
Fund Balances, Beginning of Year	96,402,535	26,157,975	26,727,064	32,870,107	182,157,681
Fund Balances, End of Year	\$ 107,900,460	\$ 16,165,999	\$ 30,187,515	\$ 33,600,160	\$ 187,854,134

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances to the
Statement of Activities
For the Year Ended June 30, 2017**

Total Net Change in Fund Balances - Governmental Funds	\$	5,696,453
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation.

Capital Outlays	\$ 47,477,830	
Depreciation Expense	<u>(23,504,710)</u>	23,973,120

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonded Debt Repayments	30,808,333	
Bond Proceeds (Including Refunding Bonds)	(39,890,000)	
Capital Lease Repayments	141,209	
Bond Premium	(2,171,219)	
Bond Discount	37,271	
Accrued Interest	(220,857)	
Deferred Charge on Bond Refunding	<u>715,647</u>	(10,579,616)

Revenues for pension contributions in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,756,693
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In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(158,714)
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In the statement of activities, postemployment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

OPEB	(13,145,787)	
Pensions	<u>(4,540,869)</u>	(17,686,656)

All revenues, expenses, and changes in net position of the internal service funds are reported as proprietary fund type in the fund financial statements, but included as governmental activities in the government-wide financial statements.		<u>1,749,414</u>
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Change in Net Position of Governmental Activities		<u>\$ 4,750,694</u>
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The accompanying notes are an integral part of these financial statements.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

Proprietary Fund Type - Internal Service Funds
Statement of Net Position
June 30, 2017

Current Assets	
Cash and Cash Equivalents	\$ 9,130,132
Investments	1,947,806
Accounts Receivable	947
Due from Other Funds	<u>1,260,000</u>
Total Assets	<u>\$ 12,338,885</u>
Liabilities and Net Position	
Current Liabilities	
Accounts Payable	\$ 47,543
Benefit Claims Payable	4,573,844
Claims Liability	<u>641,994</u>
Total Current Liabilities	<u>5,263,381</u>
Long-Term Liabilities	
Benefit Claims Payable	2,406,329
Claims Liability	<u>826,534</u>
Total Long-Term Liabilities	<u>3,232,863</u>
Total Liabilities	<u>8,496,244</u>
Net Position	
Restricted for Employee Benefits	1,915,568
Unrestricted	<u>1,927,073</u>
Total Net Position	<u>3,842,641</u>
Total Liabilities and Net Position	<u>\$ 12,338,885</u>

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Type - Internal Service Funds
 Statement of Revenues, Expenses, and
 Change in Net Position
 For the Year Ended June 30, 2017

Operating Revenues	
Employer/Employee Contributions	\$ 7,464,625
Decrease in Incurred but not Reported (IBNR) Claims	<u>2,042,333</u>
Total Operating Revenues	<u>9,506,958</u>
Operating Expenses	
Administrative	192,727
Contractual Services	660,270
Premium Payments	1,275,353
Benefit Payments	3,946,470
Claims	<u>1,708,017</u>
Total Operating Expenses	<u>7,782,837</u>
Operating Income	<u>1,724,121</u>
Non-Operating Revenues	
Earnings on Investments	35,070
Net Decrease in the Fair Value of Investments	<u>(9,777)</u>
Total Non-Operating Revenues	<u>25,293</u>
Change in Net Position	1,749,414
Total Net Position, Beginning of Year	<u>2,093,227</u>
Total Net Position, End of Year	<u><u>\$ 3,842,641</u></u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Statement I

**Proprietary Fund Type - Internal Service Funds
Statement of Cash Flows
For the Year Ended June 30, 2017**

Cash Flows from Operating Activities	
Receipts from Employer and Employee Contributions	\$ 10,870,105
Payments for Benefits and Claims	(6,929,840)
Payments for Administrative and Contractual Services	<u>(517,244)</u>
Net Cash Provided by Operating Activities	<u>3,423,021</u>
Cash Flows from Investing Activities	
Sale of Investments	1,300,000
Earnings on Cash and Investments	<u>35,070</u>
Net Cash Provided by Investing Activities	<u>1,335,070</u>
Net Increase in Cash and Cash Equivalents	4,758,091
Cash and Cash Equivalents, Beginning of Year	<u>4,372,041</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 9,130,132</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 1,724,121
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease to Incurred but not Reported (IBNR) Claims	(2,042,333)
Decrease in Receivables	3,405,480
Decrease in Prepays	881,137
Decrease in Payables	<u>(545,384)</u>
Total Adjustments	<u>1,698,900</u>
Net Cash Provided by Operating Activities	<u><u>\$ 3,423,021</u></u>
Non-Cash Investing and Financing Activities	
Net Decrease in the Fair Value of Investments	<u><u>\$ 9,777</u></u>

The accompanying notes are an integral part of these financial statements.

Fiduciary/Agency Fund
Statement of Fiduciary Assets and Liabilities -
School Activity Fund
June 30, 2017

Assets	
Cash and Cash Equivalents	\$ 7,083,306
Investments	<u>420,281</u>
Total Assets	<u><u>\$ 7,503,587</u></u>
Liabilities	
Accounts Payable	\$ 55,720
Due to Schools	<u>7,447,867</u>
Total Liabilities	<u><u>\$ 7,503,587</u></u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

- A. Financial Reporting Entity
- B. Basis of Presentation - Fund Accounting
- C. Basis of Accounting - Measurement Focus
- D. Budget Practices
- E. Encumbrances
- F. Cash, Cash Equivalents, and Investments
- G. Receivables
- H. Short-Term Interfund Receivables/Payables
- I. Inventory
- J. Restricted Assets
- K. Capital Assets
- L. Long-Term Obligations
- M. Pensions
- N. Compensated Absences
- O. Sales and Use Taxes
- P. Net Position - Government-Wide Financial Statements
- Q. Deferred Outflows/Inflows of Resources
- R. Fund Equity - Fund Financial Statements
- S. Claims and Judgments
- T. Adoption of New Accounting Principles

Note 2. Ad Valorem Taxes

Note 3. Cash, Cash Equivalents, and Investments

Note 4. Interfund Receivables, Payables, and Transfers

Note 5. Capital Assets

Note 6. Risk Management

Note 7. Changes in Long-Term Obligations

Note 8. Defeased Debt

Note 9. Tax Arbitrage Rebate

Note 10. Retirement Plans

Note 11. Changes in Agency Deposits Due to Others

Note 12. Litigation and Claims

Note 13. Hurricane Katrina

Note 14. Concentration of Revenue

Note 15. Operating Leases

Note 16. Fund Equity

Note 17. Other Postemployment Benefits

Note 18. Tax Abatement

Note 19. Impact of Recently Issued Accounting Pronouncements

Note 20. Subsequent Events

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the St. Tammany 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.

A. Financial Reporting Entity

The St. Tammany Parish School Board (the School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the children within St. Tammany Parish, Louisiana (the Parish). The School Board is authorized by LRS 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 authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the Parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 15 members who are elected from 15 districts for concurrent terms of four years expiring December 31, 2018.

The School Board operates 55 schools within the Parish with a total enrollment of 38,681 students. In conjunction with the regular educational programs, some of these schools offer special education programs. Additionally, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. The School Board members are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. Certain units of local government, over which the School Board exercises no financial accountability, such as the Parish Council, other independently elected parish officials, and municipalities within the Parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity and does not have any component units that require inclusion in the financial statements.

B. Basis of Presentation - Fund Accounting

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the School Board as a whole. Fiduciary funds are not included in GWFS. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities at the fund financial statement level. For the most part, the effect of interfund activity has been removed from these financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Internal Activities

The Workers' Compensation and Risk Management Funds provide services to the governmental funds. Accordingly, these funds were included in the governmental activities. Pursuant to GASB 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. Interfund services provided and used are not eliminated in the process of consolidation.

Program Revenues

Program revenues include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from food sales and tuition. Operating grants and contributions consist of the many educational grants received from the federal and state governments.

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. Depreciation expense is specifically identifiable by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the statement of activities. Other indirect expenses, including compensated absences, pension, and other postemployment benefits (OPEB) adjustments, are allocated.

Fund Financial Statements (FFS)

Fund financial statements report detailed information about the School Board. The focus of the governmental and enterprise fund financial statements is on the major funds rather than reporting funds by type. Each major fund is presented in a separate column. The major funds reported by the School Board for the year ended June 30, 2017, are as follows:

- General Fund - accounts for the day-to-day operations of the School Board.
- 2013 Construction Fund - accounts for the expenditures of the \$135 million in general obligation bonds approved by the voters to finance capital improvements for new construction and improvements to existing facilities.
- Debt Service Funds - established to meet requirements of bond ordinances and is used to account for the accumulation of resources for and the payment of long-term debt principal, interest, and related costs.

Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary funds statements.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state, and local grant and entitlement programs and special district funds established for various educational objectives.

Capital Projects Funds

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds). Separate capital projects funds are maintained to account for the proceeds of general obligation bonds and other financing proceeds.

Debt Service Funds

Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on the general obligation bonds.

Proprietary Funds

Proprietary funds are used to account for the School Board's ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The School Board's proprietary fund type is limited to internal service funds.

Internal service funds are used to account for the accumulation of resources for and the payment of benefits by the School Board's self-insurance programs. The School Board maintains the following self-insurance funds:

- Workers' Compensation Fund - accounts for the payment of workers' compensation benefits.
- Risk Management Fund - accounts for general liability, which is fully insured at the fiscal year ended June 30, 2017, with a deductible of \$250,000 per occurrence, and property damage, which is insured at the fiscal year ended June 30, 2017, with a deductible of 3% of the total values up to \$5,000,000 for a "named storm" and only \$500,000 for all other perils.

Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts, (2) estimated claim losses resulting from self-insurance programs which include estimated liabilities for claims incurred but not yet reported at year-end, and (3) operating expenses. Non-operating income includes interest income.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School Board in a trustee capacity or as an agent on behalf of other funds within the School Board. The School Board maintains one fiduciary fund type, an agency fund. The agency fund is the School Activity Fund. The School Activity Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

C. Basis of Accounting - Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes (ad valorem) are recognized as revenue in the year they are levied and grant revenues are recognized as soon as all eligibility requirements are met. Revenues not earned are reported as unearned revenue.

The governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Board considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The operating revenue of the proprietary funds is employer contributions and insurance premiums. The operating expenses for the proprietary funds include the cost of insurance premiums, claims, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary fund financial statements have no measurement focus, but do employ the accrual basis of accounting.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Measurement Focus (Continued)

The following practices in recording revenues and expenditures have been used for the governmental funds:

Revenues

Federal and state entitlements, which include state equalization and state revenue sharing, are recorded as unrestricted grants-in-aid when available and measurable. For this purpose, the School Board considers all revenues to be available if they are collected within sixty days of the end of the current fiscal period. Federal and state grants which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1st, become due on November 15th of each year, and become delinquent on December 31st. An enforceable lien attaches to the property as of November 15th. The taxes were levied by the School Board on July 14, 2016. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected and are unremitted by the St. Tammany Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations. Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month in which the School Board considers them available to finance current year obligations and are collected by the St. Tammany Parish Tax Collector. Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period generally, except in cases where the employee opted to be paid over nine months. 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, while the cost of earned leave privileges not requiring current resources is recorded as a liability on the government-wide financial statements. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Principal and interest on general long-term obligations are not recognized until due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting - Measurement Focus (Continued)

Prepays

Prepaid expenditures are recorded in the year that the expenditure is accrued using the consumption method.

D. Budget Practices

The proposed budgets for fiscal year 2016-2017 were completed and made available for public inspection at the School Board office on July 29, 2016. A public hearing was held on August 25, 2016 for suggestions and comments from taxpayers. The proposed fiscal year 2016-2017 budgets were formally adopted by the School Board on September 8, 2016, and the final amendment was adopted on September 14, 2017. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten (10) days prior to the public hearings. The budget and amendments are reported on the General Fund in the budgetary comparison schedule in the required supplementary information section of this report.

The budgets for all funds for the fiscal year 2016-2017 were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which they are made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions which are directly related to the prior year's budget are not included in the budget for the current year.

The Superintendent is authorized to transfer budget amounts between individual budget lines in a fund; however, any supplemental appropriations that amend the total expenditures of any fund require Board approval.

As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

Because the budgets are prepared on a modified accrual basis, no differences in budget basis and GAAP basis occurs. Additional information on the original and final budgets can be found in the budgetary comparison schedules in the required supplementary information and other supplementary information sections of this report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by all funds during the year as a budgetary tool. Encumbrances outstanding at year-end are liquidated.

F. Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less at date of acquisition are considered to be cash equivalents in the internal service funds. Investments are stated at cost or fair value, depending on the type of investment.

G. Receivables

Intergovernmental receivables consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

Other receivables include all trade and other receivables considered to be receivable within one year. No allowance for uncollectible accounts has been established as all receivables are considered collectible.

H. Short-Term Interfund Receivables/Payables

During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion) or "advances to/from other funds" (i.e., the non-current portion). These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

I. Inventory

Inventory of the School Food Service 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 Education. The commodities are recorded as revenues and expenditures when consumed. The purchased food is recorded as expenditures when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

J. Restricted Assets

Restricted assets represent cash held in separate bank accounts that is restricted according to applicable bond and loan indenture agreements or as required by Louisiana Revised Statutes for debt service funds.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

K. Capital Assets

Purchases of land, land improvements, buildings and improvements, and furniture and equipment are recorded as expenditures in the governmental funds. In the government-wide financial statements, capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of donation. Approximately 95% of capital assets are valued at historical cost, while the remaining 5% are valued at estimated cost, based on the historical cost of like items. Capital assets are defined by the School Board as assets with an initial individual cost of more than \$5,000.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the assets.

In the government-wide financial statements, capital assets are depreciated over their estimated useful lives (excluding any applicable salvage value). Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Assets	Years
Land	-
Land Improvements	20
<i>Buildings and Improvements:</i>	
Fixed Buildings and Improvements	30
Temporary Buildings (Portables)	20
<i>Furniture and Equipment:</i>	
Heavy Equipment	10
Office Equipment	5 - 10
Furniture and Fixtures	5

L. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, 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, with the exception of prepaid insurance, are recognized as expenditures when the liability is incurred.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and changes in fiduciary net position of the defined benefit pension plans in which the School Board participates have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Compensated Absences

All 12-month non-school administrative employees earn from 10 to 20 days of vacation leave each year, depending on length of service with the School Board. A maximum of five days of vacation leave may be carried forward to the next calendar year. Upon termination, earned vacation leave is paid to the employee at the employee's current rate of pay.

All School Board employees earn from 10 to 13 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement, a maximum of 25 days of unused sick leave is paid to the employee at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

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.

Leave may be granted for medical purposes and professional and cultural improvement. All employees are eligible for extended sick leave of up to ninety days in each six year period of employment which may be used for personal illness or illness of an immediate family member providing that the employee has no remaining regular sick leave balance. The employee on extended sick leave is paid 65% of their salary at the time the extended sick leave begins.

The cost of compensated absence privileges (unused sick leave) is recognized as current year expenditures in the General Fund when leave is actually taken or when employees are paid for accrued leave upon retirement or death. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

At June 30, 2017, employees of the School Board have accumulated and vested \$18,324,855 of compensated absence benefits in salary and salary-related payments.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

O. Sales and Use Taxes

On June 25, 1966, the voters of St. Tammany Parish approved a one percent sales and use tax which, after payment of necessary costs and expenses of collecting the tax, is dedicated for payments of salaries of teachers and other school personnel and for other operating expenses. This was a permanent tax. On September 18, 1976, the voters of St. Tammany Parish approved an additional one percent sales tax to be levied on behalf of the St. Tammany Parish School Board for a period of 15 years. The proceeds are dedicated for the purposes of capital improvements, maintenance, and operating expenses of the School Board. In April 2004, the voters of the Parish designated this additional sales tax as permanent. The sales and use taxes are collected by the St. Tammany Parish Tax Collector for a percentage of the monthly collections.

P. Net Position - Government-Wide Financial Statements

In the government-wide and proprietary fund statements, equity is classified as net position and displayed in three components.

- Net Investment in Capital Assets - consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and capital-related borrowings.
- Restricted - consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - consists of all other amounts included in net position.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The School Board has two items that meet this criterion - contributions made to the pension plan and an unamortized loss on a bond defeasance.

Unamortized amounts are reported as deferred outflows of resources and amortized amounts are reported as a component of interest expense.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as inflow of resources (revenue) until that time. The School Board has one item that meets this criterion - a deferral related to pensions.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

R. Fund Equity - Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Non-Spendable Fund Balance** - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed Fund Balance** - amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board. Commitments may be established, modified, or rescinded only through resolutions approved by Board members.
- **Assigned Fund Balance** - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the School Board's adopted policy, only Board members may assign amounts for specific purposes.
- **Unassigned Fund Balance** - all other spendable amounts. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board members have provided otherwise in their commitment or assignment actions. In the General Fund, the School Board maintains a committed fund balance in the amount of \$20,854,282 to maintain "AA" bond rating and for financial stability.

S. Claims and Judgments

The School Board provides for losses and anticipated expenses resulting from claims and judgments including claim adjustment expenses, salvage, and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case by case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50. The liability for such losses is recorded in the internal service funds. Incurred but not reported claims as of June 30, 2017, have been considered in determining the accrued liability.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

T. Adoption of New Accounting Principles

For the year ended June 30, 2017, GASB Statement No. 77, *Tax Abatement Disclosures*, was implemented. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. See Note 18.

For the year ended June 30, 2017, GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, was implemented (early-adopted, as allowed). As it relates to the School Board, this Statement amends the presentation of payroll-related measures in required supplementary information.

Note 2. Ad Valorem Taxes

The following is a summary of authorized and levied parish wide ad valorem taxes for the fiscal year ended June 30, 2017:

	Mills	Fiscal Year of Expiration
Constitutional	3.65	N/A
Additional Support	7.53	2023
Construction, Maintenance, and Operations	3.30	2023
Improving, Maintaining, and Operating	34.03	2023
Bond and Interest - District No. 12	17.90	N/A
Total Millage	66.41	

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 3. Cash, Cash Equivalents, and Investments

Deposits

For reporting purposes, cash and cash equivalents include savings, demand deposits, time deposits, and certificates of deposit. Deposits in bank accounts are stated at cost, which approximates market. Further, the School Board may invest in time certificates of deposit in state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks, and share accounts and share certificate accounts of federally or state chartered credit unions. Cash balances of all funds are combined.

Interest earned on deposits is distributed to the individual funds based on the invested balances of the participating funds during the year. Interest is recorded when earned.

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These pledged securities must be held in the name of the School Board or the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasury.

At June 30, 2017, the School Board's carrying value of its deposits, excluding fiduciary cash balances and including restricted cash and cash equivalents, was \$187,844,294, and the bank balance was \$189,209,540. Of the bank balance, \$189,209,540 was covered by federal depository insurance or secured by bank owned securities specifically pledged to the School Board and held in joint custody by an independent custodian bank or trust department. Custodial risk is the risk that in the event of bank failure, the School Board's deposits may not be recovered. At June 30, 2017, none of the School Board's deposits were exposed to custodial credit risk as uninsured deposits were collateralized with securities held by a pledging bank's trust department, but not in the School Board's name.

Restricted cash and cash equivalents are reported on the statement of net position and governmental funds - balance sheet in the amount of \$37,255,034, for the year ended June 30, 2017. These restricted assets represent certain proceeds of bonds and loans including debt service funds of the School Board, and their use is limited by applicable bond/loan covenants and Louisiana Revised Statutes.

In addition, at June 30, 2017, the individual schools held cash, cash equivalents, and investments of \$7,503,587 in various accounts. The balances of these accounts are collateralized with either FDIC insurance and/or pledged securities in the School Board's name. Because these accounts are not assets of the School Board but are agency funds, the balances are not reflected in the fund financial statements or the government-wide financial statements, but are reported in the statement of fiduciary assets and liabilities.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

Investments

Cash balances of the School Board's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of actual invested cash balances of the participating funds during the year.

The School Board's investments in certificates of deposit are valued at cost, which closely approximates fair value. Investments in municipal bonds and treasuries are valued at fair value.

Under state law, the School Board may invest in United States bonds, treasury notes and bills, or certificates and time deposits of state banks organized under Louisiana law, and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool rated "AAA". Investments are stated at cost, which approximates fair value, and is the same as the value of the pool shares.

Investments of \$1,947,806 in certificates of deposits and treasuries were held in the proprietary funds at June 30, 2017. Restricted investments were \$32,688,209 on the statement of net position and governmental funds - balance sheet for the year ended June 30, 2017.

At June 30, 2017, the School Board's investments were as follows:

	Maturities in Years			Reported Amount/Fair Value
	Less than One	One to Five	Five to Ten	
Certificates of Deposits	\$ 950,000	\$ -	\$ -	\$ 950,000
Municipal Bonds	3,187,234	-	-	3,187,234
Treasuries	17,391,503	13,107,278	-	30,498,781
Total	\$ 21,528,737	\$ 13,107,278	\$ -	\$ 34,636,015

Interest Rate Risk. Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rates. One indicator of the measurement of interest rate risk is the dispersion of maturity dates of debt instruments. The above table shows the School Board's investments and maturities in actively managed accounts at June 30, 2017. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

Custodial Credit Risk. The School Board has no investments that are exposed to custodial credit risk.

Credit Risk. State law limits investments to the following:

1. Direct United States Treasury obligations
2. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America
3. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored
4. Direct security repurchase agreements of any federal book entry only securities
5. Time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks
6. Mutual or trust fund institutions which are registered with the Securities and Exchange Commission and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies
7. Guaranteed investment contracts issued by a bank, financial or insurance company, or other entity having one of the highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service
8. Investment grade commercial paper of domestic United States corporations
9. LAMP

The School Board's investment policy complies with state law and does not further limit its investment choices.

Concentration of Credit Risk. The School Board places no limit on the amount the School Board may invest in any one issuer. All School Board investments are certificates of deposit, municipal bonds, or treasuries.

Fair Value Measurement

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that a government can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; and Level 3 inputs are unobservable inputs for an asset.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 3. Cash, Cash Equivalents, and Investments (Continued)

Fair Value Measurement (Continued)

The following table sets forth by level within the fair value hierarchy the School Board's assets at fair value as of June 30, 2017:

	June 30, 2017	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
Municipal Bonds	\$ 3,187,234	\$ -	\$ 3,187,234	\$ -
Treasuries	30,498,781	15,216,342	15,282,439	-
Total	\$ 33,686,015	\$ 15,216,342	\$ 18,469,673	\$ -

Note 4. Interfund Receivables, Payables, and Transfers

As of June 30, 2017, individual balances due to/due from other funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 859,408
	Non-Major Governmental	6,187,682
Non-Major Governmental	General	13,963
	Non-Major Governmental	52,963
Total Governmental Funds		7,114,016
Internal Service	General Fund	1,071,425
	Non-Major Governmental	188,575
Total		\$ 8,374,016

The School Board's lending/borrowing activities referred to as "due to/due from" are further explained in the Summary of Significant Accounting Policies [Note 1(H)].

The General Fund loaned money to various funds for the payment of expenditures prior to receipt of funds from federal, state, and local sources through reimbursement. All interfund lending was for normal operating activities.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 4. Interfund Receivables, Payables, and Transfers (Continued)

For the year ended June 30, 2017, individual transfers were as follows:

	Transfer in		Total
	General*	Non-Major Governmental	
Transfer Out			
General*	\$ -	\$ 5,413,000	\$ 5,413,000
Non-Major Governmental	1,324,699	-	1,324,699
	<u>\$ 1,324,699</u>	<u>\$ 5,413,000</u>	<u>\$ 6,737,699</u>

* Indicates major fund.

The School Board transfers funds between funds as part of the normal operating of fund activity throughout the year to account for payment of expenditures and receipt of revenues. The General Fund transfers Minimum Foundation Program (MFP) monies to the School Food Service Fund and general revenues to the capital projects funds and to various other funds throughout the year as the budget prescribes. All other transfers were for normal operating activities.

Note 5. Capital Assets

A summary of changes in capital assets is as follows:

Governmental Activities	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Non-Depreciable Assets:				
Land	\$ 18,215,723	\$ 478,266	\$ -	\$ 18,693,989
Construction in Progress	59,276,381	45,875,705	50,692,909	54,459,177
Depreciable Assets:				
Land Improvements	16,801,629	551,330	-	17,352,959
Buildings and Improvements	734,561,888	50,278,404	4,573,421	780,266,871
Furniture and Equipment	27,314,678	2,009,844	316,965	29,007,557
Total	<u>856,170,299</u>	<u>99,193,549</u>	<u>55,583,295</u>	<u>899,780,553</u>
Less Accumulated Depreciation:				
Land Improvements	6,977,815	690,937	-	7,668,752
Buildings and Improvements	339,053,136	21,261,516	3,550,611	356,764,041
Furniture and Equipment	21,758,151	1,552,257	316,965	22,993,443
Total Accumulated Depreciation	<u>367,789,102</u>	<u>23,504,710</u>	<u>3,867,576</u>	<u>387,426,236</u>
Governmental Activities Capital Assets, Net	<u>\$ 488,381,197</u>	<u>\$ 75,688,839</u>	<u>\$ 51,715,719</u>	<u>\$ 512,354,317</u>

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 5. Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 8,432,402
Special Education Programs	4,258,326
Vocational Educational Programs	323,737
Other Instructional and Special Programs	477,221
Special Programs	399,333
Pupil Support	1,434,280
Instructional Staff Support	784,112
General Administration	464,698
School Administration	1,230,633
Business Administration	138,038
Operation and Maintenance of Plant	2,098,374
Pupil Transportation	1,702,851
Central Services	494,679
Food Services	1,197,159
Community Service Programs	68,867
Total	\$ 23,504,710

Construction in progress at June 30, 2017, was composed of the following:

Project Location	Project Authorization	Incurred as of June 30, 2017	Committed
Abney Elementary	\$ 853,374	\$ 517,000	\$ 336,374
Alton Elementary	228,830	24,881	203,949
Bayou Lacombe Middle	28,385	24,291	4,094
Bayou Woods Elementary	67,890	21,650	46,240
Boyet Jr. High	587,403	268,722	318,681
Carolyn Park Middle	3,482,583	3,350,523	132,060
Clearwood Jr. High	9,881,127	9,037,918	843,209
Florida Ave. Elementary	144,900	67,299	77,601
Fontainebleau Jr. High	11,954,262	11,565,661	388,601
Lancaster Elementary	10,276,069	5,179,107	5,096,962
Lyon Elementary	93,470	84,917	8,553
Mandeville Elementary	323,170	202,968	120,202
Mandeville High	958,014	340,461	617,553
Mandeville Jr. High	2,175,414	1,795,431	379,983
Mayfield Elementary	8,927,336	7,227,722	1,699,614
New Pupil Appraisal Office	1,438,521	293,900	1,144,621
Northshore High	2,835,153	2,731,362	103,791
Pearl River High	13,345,581	10,571,453	2,774,128
Pitcher Jr. High	56,553	39,731	16,822
Slidell High	5,968,940	1,114,180	4,854,760
Total	\$ 73,626,975	\$ 54,459,177	\$ 19,167,798

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 6. Risk Management

Workers' Compensation

The School Board has had a risk management program for workers' compensation since 1988. Premiums are paid into the Workers' Compensation Internal Service Fund by all funds from which salaries are paid, and are available to pay claims, claim reserves, and administrative costs of the program. During fiscal year 2017, a total of \$4,592,772 was incurred in benefits and administrative costs. The School Board is self-insured for up to \$1,000,000 per claim. However, an excess coverage insurance policy covers individual claims in excess of \$1,000,000.

An amount for self-insurance losses of \$6,980,173 has been accrued as a liability based upon an actuary's estimate as of June 30, 2017. Interfund premiums are based primarily upon the individual funds' claims experience and are reported as expenditures in the individual funds. There were no significant reductions in insurance coverage from the prior year.

Risk Management

In addition, the School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. During fiscal year 1990, the School Board established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$250,000 for each general liability claim and \$1,000,000 for each property damage claim and \$5,000,000 for each property damage claim due to a named storm. The School Board purchases commercial insurance for claims in excess of coverage provided by the fund. In 2017, the School Board paid claims in excess of coverage of \$1,708,017 to claimants in excess of the \$250,000 maximum. The General Fund makes payments to the Risk Management Fund based on estimates of the amounts needed to pay claims and to accumulate funds for future catastrophic losses. At June 30, 2017, \$1,927,073 of fund equity was available for future catastrophic losses. Claim liabilities were \$1,468,528, based on an actuary's estimate at June 30, 2017. There were no significant reductions in insurance coverage from the prior year.

Health/Life Insurance

In 2007, the School Board became self-insured for health care benefits offered to its employees and retirees. The plan is managed by a third-party administrator and excess cost coverage is purchased by the School Board to limit its liability.

The Health/Life Insurance Fund was closed in fiscal year 2013. The claims activity is accounted for in the General Fund.

The School Board continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 6. Risk Management (Continued)

Claims

Changes in the claims liability amount in the previous fiscal year and balances expected to be paid in the next year are as follows:

	Balance 6/30/2016	Claims and Changes in Estimates	Payments and Claims	Balance 6/30/2017
Workers' Compensation				
2015-2016	\$ 6,386,607	\$ 8,701,635	\$ 6,565,367	\$ 8,522,875
2016-2017	8,522,875	2,403,768	3,946,470	6,980,173
Risk Management				
2015-2016	\$ 1,720,254	\$ 1,141,567	\$ 893,662	\$ 1,968,159
2016-2017	1,968,159	1,208,386	1,708,017	1,468,528
Health/Life Insurance				
2015-2016	\$ 6,063,297	\$ 67,325,821	\$ 69,087,936	\$ 4,301,182
2016-2017	4,301,182	72,357,610	72,185,831	4,472,961

Note 7. Changes in Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017	Due Within One Year
General Obligation Bonds	\$ 218,700,000	\$ 39,890,000	\$ (30,475,000)	\$ 228,115,000	\$ 20,940,000
Capital Lease	1,394,297	-	(141,209)	1,253,088	144,457
Unamortized Premium	15,852,227	3,568,548	(1,397,329)	18,023,446	-
Unamortized Discount	(225,999)	(59,340)	(22,069)	(263,270)	-
Qualified School Construction Bonds	3,000,000	-	(333,333)	2,666,667	333,333
Compensated Absences	18,166,141	13,942,096	(13,783,382)	18,324,855	13,783,382
Total Long-Term Liabilities	\$ 256,886,666	\$ 57,341,304	\$ (46,152,322)	\$ 268,119,786	\$ 35,201,172

In July 2008, the School Board was authorized to issue \$67,000,000 in general obligation bonds with a final maturity date of March 1, 2028. These bonds were the first installment issue of the total \$167,000,000 approved by the citizens of St. Tammany Parish via the election on March 8, 2008. The bond proceeds were to be used to finance \$15,000,000 in technology, \$2,100,000 in security cameras, and \$149,900,000 in capital improvements for new construction and improvements to existing facilities. In June 2008, the School Board received a good faith deposit for this bond issue in the amount of \$670,000 which was included in bonds payable in the financial statements for the year ended June 30, 2008. The remaining bond proceeds of \$66,330,000 were received in July 2008.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 7. Changes in Long-Term Obligations (Continued)

In February 2009, the School Board was authorized to issue \$20,000,000 in general obligation bonds with a final maturity date of March 1, 2029. These bonds are the second installment issue of the total \$167,000,000 issue. The bond proceeds were received in May 2009.

In December 2009, the School Board was authorized to issue \$25,000,000 in general obligation bonds with a final maturity date of March 1, 2030. These bonds are the third installment issue of the total \$167,000,000 issue. The bond proceeds were received in March 2010.

In December 2009, the School Board was authorized to issue \$5,000,000 in Qualified School Construction Bonds with a final maturity of December 16, 2024. The Department of Education gave the School Board a \$5,000,000 allocation of the national qualified school construction bonds. These bond proceeds will be used for construction, rehabilitation, and repair of schools.

In October 2010, the School Board was authorized to issue \$20,000,000 in general obligation bonds with a final maturity date of March 1, 2030. These bonds are the fourth installment issue of the total \$167,000,000 issue. The bond proceeds were received in January 2011.

In June 2011, the School Board was authorized to issue \$10,000,000 in general obligation bonds with a final maturity date of April 1, 2031. These bonds are the fifth installment issue of the total \$167,000,000 issue. The bond proceeds were received in August 2011.

In April 2012, the School Board approved the redemption of the 2002 bonds in the amount of \$8,345,000. Excess cash in the debt service fund was utilized for this redemption.

In April 2012, the School Board issued \$9,330,000 in general obligation bonds (2012 Issue) with a final maturity date of April 1, 2016. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund the remainder of the 2002 bonds in the amount of \$9,345,000. The interest rate for the 2012 bonds ranges from 1.33% to 1.34%. The interest rate on the 2002 bonds ranged from 4.00% to 5.00%. The \$9,345,000 is considered defeased.

By redeeming \$8,345,000 and refunding \$9,345,000 of the 2002 bonds, the School Board will save approximately \$3.2 million in future interest and principal payments, resulting in an economic gain of approximately \$2.4 million.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 7. Changes in Long-Term Obligations (Continued)

In May 2012, the School Board issued \$18,900,000 in general obligation bonds (2012A Issue) with a final maturity date of March 1, 2024. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund the remainder of the 2004 bonds in the amount of \$18,975,000. The interest rate for the 2012A bonds ranges from 3.00% to 5.00%. The interest rate on the 2004 bonds ranged from 4.00% to 4.875%. The \$18,975,000 is considered defeased.

By refunding \$18,975,000 of the 2004 bonds, the School Board will save approximately \$1.2 million in future interest and principal payments, resulting in an economic gain of approximately \$1.0 million.

In March 2013, the School Board issued \$18,030,000 in general obligation bonds (2013 Issue) with a final maturity date of March 1, 2025. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund \$18,850,000 of the 2005 bonds. Principal outstanding after the refunding was \$2,720,000. The interest rate for the 2013 bonds ranges from 3.0% to 5.0%. The interest rate on the 2005 bonds ranged from 3.25% to 5.0%. The \$18,850,000 is considered defeased.

By refunding \$18,850,000 of the 2005 bonds, the School Board will save approximately \$1.2 million in future interest and principal payments, resulting in an economic gain of approximately \$1.1 million.

On August 20, 2013, the School Board issued \$20,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2013 Series is the first issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rate on the bonds varies from 3.0% to 5.0%, and the maturity date is April 1, 2033.

In March 2014, the School Board issued \$12,090,000 in refunding bonds (2014 Issue) with a final maturity date of March 1, 2026. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund \$12,500,000 of the 2006 bonds. Principal outstanding after the refunding is \$2,500,000. The interest rate for the 2014 bonds ranges from 3.0% to 5.0%. The interest rate on the 2006 bonds ranged from 3.25% to 5.0%. The \$12,500,000 is considered defeased.

By refunding \$12,500,000 of the 2006 bonds, the School Board's net savings is approximately \$504,361. The present value of net savings is approximately \$424,618.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 7. Changes in Long-Term Obligations (Continued)

On November 25, 2014, the School Board issued \$30,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2014 Series is the second issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rate on the bonds varies from 2.0% to 5.0%, and the maturity date is March 1, 2034.

In March 2015, the School Board issued \$34,765,000 in refunding bonds (2015 Issue) with a final maturity date of March 1, 2028. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund \$37,100,000 of the 2008 bonds. Principal outstanding after the refunding is \$8,105,000. The interest rate for the 2015 bonds ranges from 1.5% to 5.0%. The interest rate on the 2008 bonds ranged from 4.75% to 5.0%. The \$37,100,000 is considered defeased.

By refunding \$37,100,000 of the 2008 bonds, the School Board will save approximately \$2.9 million in future interest and principal payments, resulting in an economic gain of approximately \$2.7 million.

In March 2015, the School Board issued \$30,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2015 Series is the third issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rate on the bonds varies from 2.0% to 4.5%, and the maturity date is March 1, 2035.

On August 10, 2016, the School Board issued \$9,890,000 in general obligation refunding bonds. The bond proceeds less the issuance costs were deposited into an irrevocable trust to be used to refund \$10,000,000 of the callable Series 2009 general obligation bonds maturing March 1, 2020 to March 1, 2029. The interest rate on the bonds varies from 2.00% to 4.00%, and the maturity date is March 1, 2029. The \$10,000,000 is considered defeased.

By refunding \$10,000,000 of the 2009 bonds, the School Board will save approximately \$870,000 in future interest and principal payments, resulting in an economic gain of approximately \$600,000.

On September 28, 2016, the School Board issued \$30,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2016 Series is the fourth issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rate on the bonds varies from 2.25% to 5.00%, and the maturity date is March 1, 2036.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 7. Changes in Long-Term Obligations (Continued)

A schedule of the individual issues outstanding as of June 30, 2017, is as follows:

	Original Issue	Interest Rate	Payment Due	Interest to Maturity	Principal Outstanding
General Obligation Bonds:					
2005	\$ 35,690,000	3.0-4.25%	2006-2018	\$ 180,625	\$ 4,250,000
2008	67,000,000	4.75-5.0%	2007-2028	141,500	2,830,000
2009	20,000,000	3.25-4.25%	2008-2029	102,500	2,000,000
2010	25,000,000	4.117%	2009-2030	4,950,000	16,250,000
2011	20,000,000	2.0-4.75%	2011-2030	4,259,681	13,700,000
2011A	10,000,000	2.0-4.125%	2013-2031	2,182,388	7,375,000
2012A Refunding	18,900,000	3.0-4.50%	2014-2024	2,294,100	14,060,000
2013A	20,000,000	3.0-5.0%	2014-2033	5,796,750	16,000,000
2013 Refunding	18,030,000	3.0-5.0%	2013-2025	2,859,400	15,125,000
2014 Refunding	12,090,000	3.0-5.0%	2017-2026	2,335,500	10,870,000
2014	30,000,000	2.0-5.0%	2015-2034	8,596,875	25,500,000
2015 Refunding	34,765,000	1.5-5.0%	2019-2028	11,443,300	34,765,000
2015	30,000,000	2.0-5.0%	2016-2035	10,603,125	27,000,000
2016 Refunding	9,890,000	2.0-4.0%	2018-2029	2,512,050	9,890,000
2016	30,000,000	2.25-5.0%	2017-2036	9,303,750	28,500,000
Qualified School Construction Bonds:					
2010	5,000,000	1.12%	2011-2024	448,000	2,666,667
Total	\$ 386,365,000			\$ 68,009,544	\$ 230,781,667

All principal and interest requirements on the general obligation bonds are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the Parish. The Qualified School Construction Bonds are to be repaid from constitutional ad valorem tax revenues in the General Fund. At June 30, 2017, the School Board has accumulated \$31,046,923 in the General Obligation Bonds Debt Service Fund for future debt service requirements.

The general obligation and Qualified School Construction Bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2018	\$ 21,273,333	\$ 9,496,188	\$ 30,769,521
2019	17,048,334	8,601,712	25,650,046
2020	17,483,333	7,964,613	25,447,946
2021	17,798,333	7,222,962	25,021,295
2022	18,108,334	6,473,913	24,582,247
2023-2027	81,830,000	20,751,962	102,581,962
2028-2032	42,740,000	6,498,194	49,238,194
2033-2036	14,500,000	1,000,000	15,500,000
Total	\$ 230,781,667	\$ 68,009,544	\$ 298,791,211

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 7. Changes in Long-Term Obligations (Continued)

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded solely by ad valorem taxes in excess of 35% of the assessed value of taxable property. At June 30, 2017, the statutory limit is \$866,109,921 and the legal debt margin is \$665,063,498. Outstanding bonded debt payable from ad valorem taxes at June 30, 2017, totaled \$228,115,000.

Capital Lease

In October 2015, the School Board leased 20 school buses for \$1,567,575 used in its operation under an agreement that is classified as a capital lease. The lease agreement expires on October 30, 2024. The interest rate on the lease is 2.3%. The following is an analysis of the leased buses under capital lease as of June 30, 2017:

Equipment Under Capital Lease		
Furniture and Equipment	\$	1,567,575
Less: Accumulated Depreciation		<u>(548,662)</u>
Net Equipment Under Capital Lease	\$	<u>1,018,913</u>

Future minimum lease payments for all capital lease obligations are as follows as of June 30, 2017:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2018	\$ 144,457	\$ 28,821	\$ 173,278
2019	147,779	25,499	173,278
2020	151,178	22,100	173,278
2021	154,655	18,623	173,278
2022	158,212	15,066	173,278
2023-2025	<u>496,807</u>	<u>23,025</u>	<u>519,832</u>
Total	\$ 1,253,088	\$ 133,134	\$ 1,386,222

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 8. Defeased Debt

The School Board defeased the general obligation bonds listed in the table below. An irrevocable trust fund was created for each defeasance. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and, therefore, removed as a liability of the School Board.

As of June 30, 2017, the following outstanding bonds are considered defeased:

		Outstanding	Defeasance	Maturity Date
General Obligation Bonds:				
\$ 34,590,000	1998A Series	\$ 4,330,000	June 1, 2005	March 1, 2018
\$ 30,000,000	2004 Series	14,240,000	May 1, 2012	March 1, 2024
\$ 18,850,000	2005 Series	15,830,000	March 14, 2013	March 1, 2025
\$ 12,500,000	2006 Series	11,250,000	March 13, 2014	March 1, 2026
\$ 67,000,000	2008 Series	37,100,000	March 24, 2015	March 1, 2028
\$ 20,000,000	2009 Series	10,000,000	July 12, 2016	March 1, 2029
		<u>\$ 92,750,000</u>		

Note 9. Tax Arbitrage Rebate

Under the Tax Reform Act of 1986, interest earned on debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). For fiscal year 2017, no arbitrage was due to the IRS.

Note 10. Retirement Plans

Plan Descriptions

Substantially all employees of the School Board are provided with pensions through cost-sharing, multiple-employer defined benefit pension plans administered by the Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), or Louisiana State Employees' Retirement System (LASERS). The authority to establish and amend the benefit terms of TRSL, LSERS, and LASERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL, LSERS, and LASERS each issues publicly available financial reports that can be obtained at www.trsl.org, www.lasers.net, and www.lasersonline.org, respectively.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Benefits Provided

Teachers' Retirement System of Louisiana (TRSL)

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor benefits through three membership plans. Retirement benefits are determined as 2% or 2.5% (Regular Plan), 1% or 3% (Plan A), or 2% (Plan B) of final average salary for each year of credited service. Final average salary is based upon the member's highest successive thirty-six months of salary for members hired prior to January 1, 2011 or sixty months of salary for members hired on or after January 1, 2011. Employees hired prior to July 1, 1999 are eligible to retire at age sixty with five years of accredited service or twenty years of creditable teaching service regardless of age. Employees hired on or after July 1, 1999 and prior to January 1, 2011 are eligible to retire at age sixty with five years of accredited service, at age fifty-five with twenty-five years of accredited service, or at any age with thirty years of accredited service. Employees hired on or after January 1, 2011 and prior to July 1, 2015 are eligible to retire at age sixty with five years of accredited service or at any age with twenty years of service credit with a reduced benefit. Employees hired on or after July 1, 2015 are eligible to retire at age sixty-two with five years of accredited service or at any age with twenty years of service with a reduced benefit.

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Disability benefits for employees hired prior to January 1, 2011 are determined at 2.5% of average compensation multiplied by the years of creditable service, but not to exceed 50% of average compensation. Disability benefits for employees hired on or after January 1, 2011 shall receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are determined at 50% of the benefit to which the employee would have been entitled upon retirement at the age of sixty using a factor of 2.5% regardless of years of service or age, or \$600 per month, whichever is greater, provided the member was an active member at the time of death and had five years of creditable service with at least two years of which were earned immediately prior to death.

TRSL allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Benefits Provided (Continued)

Louisiana School Employees' Retirement System (LSERS)

LSERS provides retirement, deferred retirement option (DROP), and disability benefits. A member who joined LSERS on or before June 30, 2010 is eligible for normal retirement if he has at least thirty years of creditable service regardless of age, twenty five years of creditable service and is at least age fifty-five, twenty years of creditable service regardless of age with an actuarially reduced benefit, or ten years of creditable service and is at least age sixty. A member who joined LSERS on or after July 1, 2010 and prior to July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age sixty, or twenty years of creditable service regardless of age with an actuarially reduced benefit. A member who joined LSERS on or after July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age sixty-two, or twenty years of creditable service regardless of age with an actuarially reduced benefit.

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

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

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

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Benefits Provided (Continued)

Louisiana School Employees' Retirement System (LSERS) (Continued)

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

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

Cost-of-living adjustments may be granted from the LSERS Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outlined by Act 399 of 2014.

Louisiana State Employees' Retirement System (LASERS)

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits vary depending on the member's hire date, employer, and job classification. The substantial majority of members may retire with full benefits at any age upon completing thirty years of creditable service and at age sixty upon completing ten years of creditable service. Additionally, members may choose to retire with twenty years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest sixty consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Benefits Provided (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age sixty after five years of creditable service and, may also retire at any age, with a reduced benefit, after twenty years of creditable service. Regular members and judges hired on or after July 1, 2015 are eligible to retire at age sixty-two after five years of creditable service and, with a reduced benefit, after twenty years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age fifty-five, twenty-five years of creditable service at any age, or with a reduced benefit after twenty years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest sixty consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the hazardous duty plan.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Benefits Provided (Continued)

Louisiana State Employees' Retirement System (LASERS) (Continued)

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

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age sixty, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

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

LASERS allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Teachers' Retirement System of Louisiana (TRSL)

Contribution requirements of active employees are governed by Section 101-104 of Title 11 of the Louisiana Revised Statutes (LRS 11:101-11:104) and may be amended by the Louisiana Legislature. Substantially all of the School Board employees participating in TRSL are included in the Regular Plan. Members are required by state statute to contribute 8.0% of their annual covered salaries and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017, was 25.5% of annual covered payroll. The School Board's contributions paid to TRSL for the year ended June 30, 2017, was \$51,793,504.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Contributions (Continued)

Louisiana School Employees' Retirement System (LSERS)

Contribution requirements of active employees are governed by Act 81 of 1988 and may be amended by the Louisiana Legislature. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2010 (closed plan) and 8.0% of their annual covered salaries if hired on or after July 1, 2010, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017, was 27.3% of annual covered payroll. The School Board's contributions paid to LSERS for the year ended June 30, 2017, was \$6,535,483.

Louisiana State Employees' Retirement System (LASERS)

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (LRS 11:401) and may be amended by the Louisiana Legislature. Substantially all of the School Board employees participating in LASERS are included in the Regular Plan. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2017, was 35.8% of annual covered payroll. The School Board's contributions paid to LASERS for the year ended June 30, 2017, was \$138,293.

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

The following table reflects the School Board's reported net pension liability, pension expense, proportion share of the net pension liability, and changes in proportion as of June 30, 2017:

	TRSL	LSERS	LASERS	Total
Net Pension Liability	\$ 539,839,892	\$ 60,843,824	\$ 1,695,759	\$ 602,379,475
Pension Expense	\$ 55,225,970	\$ 7,470,763	\$ 311,416	\$ 63,008,149
Proportion of Net Pension Liability	4.60%	8.07%	0.02%	
Change in Proportion Increase (Decrease)	0.06%	0.03%	0.00%	

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

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

The net pension liabilities were measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The School Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in TRSL:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 10,657,943
Changes of Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	39,299,088	-
Changes in Proportion and Differences between Employer and Non-Employer Contributions and Proportionate Share of Contributions	4,945,238	2,844,676
Employer Contributions Subsequent to the Measurement Date	51,793,504	-
Total	\$ 96,037,830	\$ 13,502,619

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

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

At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in LSERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 1,660,379
Changes of Assumptions	1,441,394	1,608,154
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,707,895	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	132,557	34,234
Employer Contributions Subsequent to the Measurement Date	6,535,483	-
Total	\$ 15,817,329	\$ 3,302,767

At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in LASERS:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 982	\$ 15,728
Changes of Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	211,210	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	36,941	161,816
Employer Contributions Subsequent to the Measurement Date	138,293	-
Total	\$ 387,426	\$ 177,544

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

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

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for TRSL, LSERS, and LASERS of \$51,793,504, \$6,535,483, and \$138,293, respectively, will be recognized as a reduction of the net pension liability during the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	TRSL	LSERS	LASERS
2018	\$ 1,235,855	\$ 57,057	\$ (11,475)
2019	1,235,855	220,493	(49,397)
2020	17,770,601	3,483,371	82,080
2021	10,499,396	2,218,158	50,381

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuations for TRSL, LSERS, and LASERS were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	TRSL	LSERS	LASERS
Inflation	2.50%	2.63%	3.00%
Salary Increases	3.5% - 10.0%	3.075% - 5.375%	3.0% - 14.5%
Investment Rate of Return	7.75%	7.125%	7.75%
Dates of Experience Study	2008 - 2012	2008 - 2012	2009 - 2013
Mortality Rates	RP-2000 Mortality Table	RP-2000 Sex Distinct Mortality Table	RP-2000 Combined Healthy Mortality Table RP-2000 Disabled Retiree Table

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments of TRSL, LSERS, and LASERS were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and expected real rates of return of TRSL, LSERS, and LASERS for each major asset class of as of June 30, 2016 are summarized in the following tables:

Teachers' Retirement System of Louisiana (TRSL):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Fixed Income	14%	2.45%
International Fixed Income	7%	3.28%
Domestic Equity	31%	4.50%
International Equity	19%	5.31%
Alternative Investments	29%	6.80%
Total	100%	

Louisiana School Employees' Retirement System (LSERS):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	30%	1.82%
Equity	51%	3.10%
Alternative Investments	13%	0.79%
Real Assets	6%	0.36%
Total	100%	

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

Actuarial Assumptions (Continued)
Louisiana State Employees' Retirement System (LASERS):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)
Cash	0%	-0.24%
Domestic Equity	25%	4.31%
International Equity	32%	5.48%
Domestic Fixed Income	8%	1.63%
International Fixed Income	6%	2.47%
Alternative Investments	22%	7.42%
Global Asset Allocation	7%	2.92%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability of TRSL, LSERS, and LASERS was 7.75%, 7.125%, and 7.75%, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 10. Retirement Plans (Continued)

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

The following presents the School Board's proportionate share of the net pension liability of TRSL, LSERS and LASERS as of June 30, 2017 using the current discount rate of 7.75%, 7.125%, and 7.75%, respectively, as well as what the School Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Teachers' Retirement System of Louisiana	\$ 673,345,578	\$ 539,839,892	\$ 426,235,576
Louisiana School Employees' Retirement System	79,870,991	60,843,824	44,542,469
Louisiana State Employees' Retirement System	2,083,396	1,695,759	1,366,388

Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$1,756,693 for its participation in TRSL. LSERS and LASERS do not receive support from non-employer contributing entities and as a result no revenue was recorded for the participation in LSERS or LASERS for the year ended June 30, 2017.

Pension Plan Fiduciary Net Position

Detailed information about the pension plans fiduciary net position is available in the separately issued financial reports for TRSL, LSERS, and LASERS and can be obtained on the plan's respective website or on the Louisiana Legislative Auditor's website: www.lla.la.gov.

Payables to the Pension Plans

At June 30, 2017, the School Board reported a payable of \$8,509,074, \$1,016,161, and \$19,447 for the outstanding amount of contributions due to TRSL, LSERS, and LASERS, respectively.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 11. Changes in Agency Deposits Due to Others

A summary of changes in the School Activity Agency Fund's deposits due to others is as follows:

Balance, Beginning of Year	\$ 7,207,302
Additions	13,061,273
Deductions	<u>(12,820,708)</u>
Balance, End of Year	<u>\$ 7,447,867</u>

Note 12. Litigation and Claims

At June 30, 2017, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board.

As a result of the review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," or "remote," as defined by the Governmental Accounting Standards Board.

Amounts of claims classified as "probable" have been accrued in the claims liability and the liability for self-insurance losses, as explained in Note 6. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits, except for amounts accrued in the financial statements, would not have a material adverse effect on the School Board's financial position.

The School Board participates in a number of federal financial assistance programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2017, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 13. Hurricane Katrina

On August 29, 2005, Hurricane Katrina devastated the Gulf Coast area. The hurricane significantly damaged much of the Parish's taxable property, particularly in the southeastern quadrant. The School Board also received damage in excess of \$120 million to its facilities.

The School Board continues to work with FEMA and the Department of Housing and Urban Development to recover funds needed to repair and rebuild its damaged facilities. As of June 30, 2017, the School Board spent in excess of \$139 million on repair costs. Most of the repairs have been substantially completed including the rebuilding of Salmen High School and the Brooks Curriculum Center. There are sufficient funds available to cover all losses.

Note 14. Concentration of Revenue

For the year ended June 30, 2017, the School Board received 47.6% of its revenue from local sources, 44.6% of its revenue from the State of Louisiana, and 7.8% of its revenue from the federal government. Ad valorem tax revenue accounts for 55% of the total local source revenue. Ad valorem millages will expire on December 31, 2022, as discussed in Note 2.

Note 15. Operating Leases

The School Board leases buildings and other equipment under non-cancelable operating leases. Total costs for such leases were \$946,237, for the year ended June 30, 2017.

The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2018	\$ 834,190
2019	626,988
2020	612,549
2021	78,023
2022	2,543
Total	\$ 2,154,293

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 16. Fund Equity

At June 30, 2017, the governmental fund equities are classified as follows:

	General Fund	2013 Construction Fund	Debt Service Fund	Other Governmental Funds	Total
Non-Spendable for:					
Inventory	\$ -	\$ -	\$ -	\$ 478,671	\$ 478,671
Prepays	1,186,387	-	-	-	1,186,387
Total Non-Spendable	1,186,387	-	-	478,671	1,665,058
Restricted for:					
Construction	-	16,165,999	-	-	16,165,999
Debt Service	-	-	30,187,515	-	30,187,515
Operational Purposes	-	-	-	16,526,650	16,526,650
Food Service	-	-	-	2,836,344	2,836,344
Total Restricted	-	16,165,999	30,187,515	19,362,994	65,716,508
Committed for:					
Bond Rating	20,854,282	-	-	-	20,854,282
Special Programs	-	-	-	12,422,842	12,422,842
Total Committed	20,854,282	-	-	12,422,842	33,277,124
Assigned to:					
Construction	-	-	-	1,335,653	1,335,653
Local Priorities	85,859,791	-	-	-	85,859,791
Total Assigned	85,859,791	-	-	1,335,653	87,195,444
Total Fund Balance	\$ 107,900,460	\$ 16,165,999	\$ 30,187,515	\$ 33,600,160	\$ 187,854,134

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-Spendable Fund Balance - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 16. Fund Equity (Continued)

- Committed Fund Balance - amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board. Commitments may be established, modified, or rescinded only through resolutions approved by Board members. In the General Fund, the School Board maintains a committed fund balance in the amount of \$20,854,282 to maintain "AA" bond rating and for financial stability.
- Assigned Fund Balance - amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the School Board's adopted policy, only Board members may assign amounts for specific purposes. In the General Fund, the School Board has assigned fund balance in the amount of \$85,859,791 for local priorities, which is defined as salaries and benefits and other instructional purposes.
- Unassigned Fund Balance - all other spendable amounts. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Note 17. Other Postemployment Benefits

Plan Description

St. Tammany Parish School Board's medical benefits are provided to employees upon actual retirement. The plan is a single-employer defined benefit OPEB plan administered by the School Board.

Most employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on and after January 1, 2011 may not retire prior to age 60 without actuarial reduction in benefits. The remainder of employees is covered by the Louisiana School Employees' Retirement System (LSERS) whose retirement (D.R.O.P. entry) eligibility provisions are the same as TRSL except that they are also eligible to retire at age 60 and 10 years of service. The TRSL eligibility provisions were used in the OPEB actuarial estimates.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 17. Other Postemployment Benefits (Continued)

Plan Description (Continued)

Basic and Supplemental life insurance coverage is provided to retirees according to three schedules (based on age brackets) and also based on the annual earnings at time of retirement. The three age brackets are below age 65, age 65 through age 69, and greater than or equal to age 70. Basic life amounts are \$5,000, \$4,000, and \$3,000, respectively, for the three age brackets and the salary-related schedules have maximum amounts of Basic plus Supplemental coverage of \$50,000, \$38,000, and \$25,000, respectively. AD&D coverage ceases at age 70.

The current rate schedule is partially "blended" by age. Since GASB 45 requires the use of "unblended" rates, we have used the 95GAR mortality table described below to unblend the rates so as to reproduce the same 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.

Contribution Rates

Employees do not contribute to their postemployment 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 2008, St. Tammany Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (St. Tammany Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis. In 2017 and 2016, St. Tammany Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$22,634,108 and \$20,957,507, respectively.

Effective July 1, 2008, St. Tammany Parish School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution

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

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 17. Other Postemployment Benefits (Continued)

Net Postemployment Benefit Obligation (Asset)

The table below shows the School Board's Net Other Postemployment Benefit (OPEB) Obligation:

	Fiscal Year Ended June 30, 2017		
	Medical	Life	Total
Determination of Annual Required Contribution			
Normal Cost at Fiscal Year End	\$ 13,215,442	\$ 414,431	\$ 13,629,873
Amortization of UAAL	24,754,533	681,782	25,436,315
Annual Required Contribution (ARC)	<u>\$ 37,969,975</u>	<u>\$ 1,096,213</u>	<u>\$ 39,066,188</u>

	Fiscal Year Ended June 30, 2017		
	Medical	Life	Total
Determination of Net OPEB Obligation			
Annual Required Contribution	\$ 37,969,975	\$ 1,096,213	\$ 39,066,188
Interest on Prior Year Net OPEB Obligation	7,059,909	312,555	7,372,464
Adjustment to ARC	(10,206,881)	(451,877)	(10,658,758)
Annual OPEB Cost	34,823,003	956,891	35,779,894
Actual Contributions Made	(22,167,961)	(466,146)	(22,634,108)
Increase in Net OPEB Obligation	12,655,042	490,745	13,145,787
Net OPEB Obligation - Beginning of the Year	176,497,732	7,813,878	184,311,610
Net OPEB Obligation - End of Year	<u>\$ 189,152,774</u>	<u>\$ 8,304,623</u>	<u>\$ 197,457,397</u>

The following table shows the School Board's annual other postemployment benefits (OPEB) cost, percentage of the cost contributed, and the net other postemployment benefits (OPEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2017	\$ 35,779,894	63.26%	\$ 197,457,397
June 30, 2016	\$ 34,519,154	60.71%	\$ 184,311,610

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 17. Other Postemployment Benefits (Continued)

Funded Status and Funding Progress

In 2017 and 2016, St. Tammany Parish School Board made no contributions to its postemployment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017, was \$457,441,458 which is defined as that portion, as determined by a particular actuarial cost method (St. Tammany Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost.

	Fiscal Year Ended June 30, 2017		
	Medical	Life	Total
Actuarial Accrued Liability (AAL)	\$ 445,180,883	\$ 12,260,575	\$ 457,441,458
Actuarial Value of Plan Assets (AVP)	-	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 445,180,883</u>	<u>\$ 12,260,575</u>	<u>\$ 457,441,458</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%	0.00%
Covered Payroll (Active Plan Members)	\$ 233,236,080	\$ 233,236,080	\$ 233,236,080
UAAL as a Percentage of Covered Payroll	190.87%	5.26%	196.13%

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 postemployment 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 St. Tammany Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between St. Tammany 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 St. Tammany 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.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 17. Other Postemployment Benefits (Continued)

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 not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50, would be used.

Turnover Rate

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%. Based on historical experience, it was also assumed that 30% of retirees declined medical coverage upon retirement.

Postemployment 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. as described above under the heading "Plan Description". This consists of a three-year D.R.O.P. period plus an additional three-year delay. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate)

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

Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Mortality Rate

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

Projected future mortality improvement has not been used since it is our opinion that this table contains a sufficiently conservative margin for the population involved in this valuation.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 17. Other Postemployment Benefits (Continued)

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 rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

Inflation Rate

Included in both the Investment Return Assumption and the Health Care Cost Trend rates above is an implicit inflation assumption of 2.5% annually.

Projected Salary Increases

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

Post-Retirement Benefit Increases

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

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

	OPEB Costs and Contributions		
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 36,484,901	\$ 34,519,154	\$ 35,779,894
Contribution	-	-	-
Retiree Premium	23,695,540	20,957,507	22,634,108
Total Contribution and Premium	23,695,540	20,957,507	22,634,108
Change in Net OPEB Obligation	\$ 12,789,361	\$ 13,561,647	\$ 13,145,786
% of Contribution to Cost	0.00%	0.00%	0.00%
% of Contribution Plus Premium to Cost	64.95%	60.71%	63.26%

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 18. Tax Abatement

The St. Tammany Parish School Board is affected by the Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP), which is an original state incentive program which offers an attractive tax incentive for manufacturers within the state. The program abates, up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and/or personal property items covered under the exemption. For the year ended June 30, 2017, the School Board has forgone \$1,039,100 in ad valorem taxes due to this abatement program.

Note 19. Impact of Recently Issued Accounting Pronouncements

Statement No. 75 of the Governmental Accounting Standards Board

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - 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 postemployment benefits other than pensions. This Statement is effective for fiscal years beginning after June 15, 2017.

Statement No. 84 of the Governmental Accounting Standards Board

Fiduciary Activities - The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 85 of the Governmental Accounting Standards Board

Omnibus 2017 - The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Notes to Basic Financial Statements

Note 19. Impact of Recently Issued Accounting Pronouncements (Continued)

Statement No. 87 of the Governmental Accounting Standards Board

Leases - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for fiscal year ending June 30, 2018.

Note 20. Subsequent Events

On July 10, 2017, the property described as Lots 1, 2, and 3 of the south half of Square Nine, Division of St. John, City of Covington, municipal address 406 East Boston Street, Covington, Louisiana 70433, was sold to Fern Hill Investments, LLC for \$801,000.

In July 2017, the School Board issued \$12,175,000 in general obligation refunding bonds. The bonds were issued for the purpose of refunding the callable maturities of the general obligation Series 2010 bonds dated May 1, 2010 and maturing March 1, 2021 to March 1, 2030. The interest rates on the bonds vary from 2.625% to 5.0%, and the maturity date is March 1, 2030.

In August 2017, the School Board issued \$9,155,000 in general obligation refunding bonds. The bonds were issued for the purpose of refunding the callable maturities of the general obligation Series 2011 bonds dated January 1, 2011 and maturing March 1, 2022 to March 1, 2030. The interest rates on the bonds vary from 3.0% to 5.0%, and the maturity date is March 1, 2030.

In August 2017, the School Board issued \$25,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. This 2017 Series is the fifth issue under the \$135,000,000 in general obligation bonds authorized at an election held in the Parish on May 4, 2013. The interest rates on the bonds vary from 2.0% to 5.0%, and the maturity date is March 1, 2037.

In November 2017, the School Board committed to issuing \$25,000,000 in general obligation bonds to fund various capital projects. The bonds are secured by and payable from ad valorem taxes. These bonds are the sixth installment issue of the total \$167,000,000 approved by the citizens of St. Tammany Parish via the election on March 8, 2008. The interest rates on the bonds vary from 2.0% to 5.0%, and the maturity date is March 1, 2037.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN MD&A**

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Statement 1-1

**General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, Beginning of Year	\$ 87,488,378	\$ 96,402,535	\$ 96,402,535	\$ -
Resources (Inflows)				
Local Sources:				
Ad Valorem Taxes	95,133,500	96,719,925	96,719,925	-
Sales and Use Taxes	92,831,850	96,519,697	96,519,698	1
Tuition:				
Summer School/Drivers Education/Community Ed.	1,735,000	1,574,531	1,574,531	-
Earnings on Investments	380,000	471,029	471,029	-
Medical Services	1,500,000	414,891	414,891	-
Other	3,534,300	3,952,853	3,952,852	(1)
Total Resources from Local Sources	195,114,650	199,652,926	199,652,926	-
State Sources:				
Minimum Foundation Program	210,345,408	211,749,516	211,749,516	-
Restricted Appropriation	1,175,949.00	1,201,689	1,201,689	-
Contributions to Teachers' Retirement	23,706	18,615	18,615	-
Revenue Sharing	1,874,822	1,958,581	1,958,581	-
Professional Improvement Program	89,728	72,999	72,999	-
Non-Public Students	192,200	191,886	191,886	-
Total Resources from State Sources	213,701,813	215,193,286	215,193,286	-
Federal Sources:				
ROTC	494,140	499,491	499,491	-
Total Resources from Federal Sources	494,140	499,491	499,491	-
Total Resources	409,310,603	415,345,703	415,345,703	-
Other Financing Sources				
Transfers In:				
Indirect Costs	1,166,558	1,324,699	1,324,699	-
Total Other Financing Sources	1,166,558	1,324,699	1,324,699	-
Amounts Available for Appropriations	497,965,539	513,072,937	513,072,937	-

See notes to required supplementary information and independent auditor's report.

General Fund
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Charges to Appropriations (Outflows)				
Current:				
Instruction:				
Regular Education Programs	167,435,538	163,556,150	161,498,322	2,057,828
Special Education Programs	68,262,480	69,841,080	69,416,475	424,605
Vocational Education Programs	6,326,737	6,101,150	5,985,347	115,803
Other Instructional Programs	8,428,800	8,828,631	8,711,414	117,217
Special Programs	3,059,875	2,659,680	2,582,974	76,706
Support Services:				
Pupil Support	23,721,972	25,469,925	25,350,753	119,172
Instructional Staff Support	10,028,878	10,040,130	9,839,094	201,036
General Administration	7,955,311	7,880,881	7,810,955	69,926
School Administration	23,668,200	23,954,850	23,765,632	189,218
Business Administration	2,682,483	2,729,790	2,666,577	63,213
Operation and Maintenance of Plant	36,919,964	38,299,325	37,158,025	1,141,300
Pupil Transportation	31,566,950	32,808,060	32,528,734	279,326
Central Services	8,581,964	9,662,190	9,494,261	167,929
Community Service Programs	1,384,381	1,332,080	1,330,349	1,731
Facilities Acquisition and Construction	1,111,152	1,076,950	1,026,755	50,195
Debt Service	589,356	593,811	593,810	1
Transfers Out	4,913,000	5,413,000	5,413,000	-
Total Charges to Appropriations	406,637,041	410,247,683	405,172,477	5,075,206
Budgetary Fund Balance, End of Year	\$ 91,328,498	\$ 102,825,254	\$ 107,900,460	\$ 5,075,206

See notes to required supplementary information and independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Statement 1-2

**Schedule of Funding Progress
For the Year Ended June 30, 2017**

Fiscal Year End	Actuarial Valuation Date	Actuarial Value of Assets	Medical Actuarial Accrued Liabilities (AAL)	Life Actuarial Accrued Liabilities (AAL)	Total Actuarial Accrued Liabilities (AAL)	Total Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2014	July 1, 2014	\$ -	\$ 391,185,651	\$ 10,524,466	\$ 401,710,117	\$ 401,710,117	0.00%	\$ 238,330,316	168.50%
June 30, 2015	July 1, 2014	\$ -	\$ 406,833,077	\$ 10,945,445	\$ 417,778,522	\$ 417,778,522	0.00%	\$ 244,054,344	171.18%
June 30, 2016	July 1, 2016	\$ -	\$ 428,058,541	\$ 11,789,015	\$ 439,847,556	\$ 439,847,556	0.00%	\$ 244,209,736	180.11%
June 30, 2017	July 1, 2016	\$ -	\$ 445,180,883	\$ 12,260,575	\$ 457,441,458	\$ 457,441,458	0.00%	\$ 233,236,080	196.13%

See notes to required supplementary information and independent auditor's report.

**Schedule of the School Board's Proportionate
Share of the Net Pension Liability
For the Years Ended June 30, 2017, 2016, and 2015**

	2017	2016	2015
Teachers' Retirement System of Louisiana:			
School Board's Proportion of the Net Pension Liability	4.60%	4.54%	4.56%
School Board's Proportionate Share of the Net Pension Liability	\$ 539,839,892	\$ 487,696,956	\$ 466,169,452
School Board's Covered Payroll	\$ 209,373,567	\$ 204,793,163	\$ 203,227,714
School Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	257.84%	238.14%	229.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.90%	62.50%	63.65%
Louisiana School Employees' Retirement System:			
School Board's Proportion of the Net Pension Liability	8.07%	8.04%	8.05%
School Board's Proportionate Share of the Net Pension Liability	\$ 60,843,824	\$ 51,010,774	\$ 46,654,021
School Board's Covered Payroll	\$ 22,905,987	\$ 22,631,291	\$ 22,570,847
School Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	265.62%	225.40%	206.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.09%	74.49%	76.18%
Louisiana State Employees' Retirement System:			
School Board's Proportion of the Net Pension Liability	0.02%	0.02%	0.02%
School Board's Proportionate Share of the Net Pension Liability	\$ 1,695,759	\$ 1,692,420	\$ 1,453,422
School Board's Covered Payroll	\$ 370,510	\$ 448,214	\$ 518,658
School Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	457.68%	377.59%	280.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.70%	62.70%	65.02%

Note: This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

See notes to required supplementary information and independent auditor's report.

**Schedule of School Board Contributions
For the Years Ended June 30, 2017, 2016, and 2015**

	2017	2016	2015
Teachers' Retirement System of Louisiana:			
Statutorily Required Contribution	\$ 54,577,644	\$ 55,037,976	\$ 57,305,886
Contributions in Relation to the Statutorily Required Contribution	<u>51,793,504</u>	<u>52,357,648</u>	<u>54,753,168</u>
Contribution Deficiency (Excess) *	<u>\$ 2,784,140</u>	<u>\$ 2,680,328</u>	<u>\$ 2,552,718</u>
School Board's Covered Payroll	\$ 214,152,937	\$ 209,373,567	\$ 204,793,163
Contributions as a Percentage of Covered Payroll	24.19%	25.01%	26.74%
Louisiana School Employees' Retirement System:			
Statutorily Required Contribution	\$ 6,534,635	\$ 6,917,608	\$ 7,468,326
Contributions in Relation to the Statutorily Required Contribution	<u>6,535,483</u>	<u>6,918,642</u>	<u>7,469,108</u>
Contribution Deficiency (Excess)	<u>\$ (848)</u>	<u>\$ (1,034)</u>	<u>\$ (782)</u>
School Board's Covered Payroll	\$ 23,936,391	\$ 22,905,987	\$ 22,631,291
Contributions as a Percentage of Covered Payroll	27.30%	30.20%	33.00%
Louisiana State Employees' Retirement System:			
Statutorily Required Contribution	\$ 138,293	\$ 137,830	\$ 165,839
Contributions in Relation to the Statutorily Required Contribution	<u>138,293</u>	<u>137,830</u>	<u>174,363</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,524)</u>
School Board's Covered Payroll	\$ 386,293	\$ 370,510	\$ 448,214
Contributions as a Percentage of Covered Payroll	35.80%	37.20%	38.90%

Note: This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

* Contribution deficiency in Teachers' Retirement System of Louisiana resulted from contributions received from non-employer contributing entities during the years ended June 30, 2017, 2016, and 2015, of \$2,800,251, \$2,691,527, and \$2,587,300, respectively.

See notes to required supplementary information and independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Notes to Required Supplementary Information
For the Year Ended June 30, 2017**

Note 1. Budgets

General Budget Practices

The proposed budgets for fiscal year 2017 were completed and made available for public inspection at the School Board office on July 29, 2016. A public hearing was held on August 25, 2016, for suggestions and comments from taxpayers. The proposed fiscal year 2016-2017 budgets were formally adopted by the School Board on September 8, 2016, and final amendment was adopted on September 14, 2017. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings.

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions that are directly related to the prior year's budget are not re-budgeted in the current year.

The Superintendent is authorized to transfer budget amounts between budget lines in a fund; however, any supplemental appropriations that amend the total expenditures of any fund require Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget reflect changes in revenue sources determined after the budget was initially approved. No other significant changes occurred.

Budget Basis of Accounting

The budgets for the General and Special Revenue Funds for fiscal year 2017 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Funds.

Encumbrances outstanding at year-end lapse and are re-encumbered the following year.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Notes to Required Supplementary Information
For the Year Ended June 30, 2017**

Note 2. Pension Plan

Changes of Benefit Terms

A member joining TRSL, LSERS, or LASERS on or after July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age sixty-two, or twenty years of creditable service regardless of age with an actuarially reduced benefit. The retirement age prior to the change in benefit terms was age sixty.

During the reporting period 2017, a Cost-of-living-adjustment (COLA) was granted by TRSL of 1.5%, LASERS of 1.5%, and LSERS of 2.0%.

During the reporting period 2015, a 1.5% Cost-of-living-adjustment (COLA) was granted by TRSL and LASERS.

There were no changes in benefit terms for any of the remaining years presented.

Changes of Assumptions

Amounts reported in 2015 for LSERS reflect an adjustment in the discount rate used to present value the projected benefit payments attributed to past periods of service. The discount rate for LSERS was reduced by 0.25% to 7.25% in 2015.

Amounts reported in 2016 for LSERS reflect an adjustment in the discount rate used to present value the projected benefit payments attributed to past periods of service. The discount rate for LSERS was reduced by 0.25% to 7.00% in 2016.

Amounts reported in 2017 for LSERS reflect an adjustment in the discount rate, inflation rate, and salary increases used to present value the projected benefit payments attributed to past periods of service. The discount rate for LSERS was increased by 0.125% in 2017. The inflation rate and salary increase assumption for LSERS was decreased by 0.125% in 2017.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

OTHER SUPPLEMENTARY INFORMATION

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Description of Non-Major Funds

Special Revenue Funds:

NCLB - This fund is used to account for federal grants received and the program expenditures under the No Child Left Behind Act.

IDEA - This fund is used to account for federal grants received and the program expenditures under the Individuals with Disabilities Education Act.

TANF - This fund is used to account for federal and state grants received and the program expenditures under the Temporary Assistance for Needy Families program.

Vocational Education - This fund is used to account for federal grants received and the related expenditures for vocational education.

Miscellaneous Programs - This fund is used to account for federal, state, and local grants received and the program expenditures related to various programs.

8G - This fund is used to account for state grants received and the program expenditures related to 8G Funding.

School Food Service - This fund is used to account for the revenue and expenditures related to the School Board's student lunch and breakfast programs.

Katrina - This fund accounts for the FEMA revenue and expenditures relating to the recovery from Hurricane Katrina.

CDBG - This fund is used to account for the revenue and expenditures related to the Community Development Block Grant. This grant was awarded to reimburse the School Board for disaster related expenses that were not covered by the Federal Emergency Management Agency (FEMA) grants.

Capital Projects Funds:

Re-Roofing Construction - This fund is used to account for the capital expenditures for various roofing projects throughout the Parish.

Parish Wide Construction - This fund is used to account for the capital expenditures for various construction projects throughout the Parish not specifically funded through bond issues.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Description of Non-Major Funds (Continued)

Internal Service Funds:

Workers' Compensation - This fund is used to account for the expenditures for workers' compensation claims for school board employees.

Risk Management - This fund is used to account for the expenditures for general and auto liability claims for the School Board.

Fiduciary/Agency Fund:

School Activity - This fund is used to account for the various individual schools' student activity funds.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**COMBINING
NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Exhibit 1

**Non-Major Governmental Funds
Combining Balance Sheet - By Fund Type
June 30, 2017**

	Special Revenue	Capital Projects	Total
Assets			
Cash and Cash Equivalents	\$ 20,114,865	\$ 2,090,391	\$ 22,205,256
Receivables			
Intergovernmental:			
Federal	4,201,979	-	4,201,979
State	118,647	-	118,647
Other	19,464	-	19,464
Due from Other Funds	-	66,926	66,926
Inventory	478,671	-	478,671
Restricted Cash and Cash Equivalents	6,936,711	-	6,936,711
Restricted Investments	9,572,117	-	9,572,117
Total Assets	\$ 41,442,454	\$ 2,157,317	\$ 43,599,771
Liabilities and Fund Balances			
Liabilities			
Salaries and Withholdings Payable	\$ 2,376,911	\$ -	2,376,911
Accounts Payable	145,632	748,944	894,576
Contracts and Retainage Payable	-	72,720	72,720
Due to Other Funds	6,429,220	-	6,429,220
Other Liabilities	226,184	-	226,184
Total Liabilities	9,177,947	821,664	9,999,611
Fund Balances			
Non-Spendable:			
Inventory	478,671	-	478,671
Restricted for:			
Operational Purposes	16,526,650	-	16,526,650
Food Service	2,836,344	-	2,836,344
Committed for:			
Special Programs	12,422,842	-	12,422,842
Assigned for:			
Construction	-	1,335,653	1,335,653
Total Fund Balances	32,264,507	1,335,653	33,600,160
Total Liabilities and Fund Balances	\$ 41,442,454	\$ 2,157,317	\$ 43,599,771

See independent auditor's report.

**Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2017**

	Special Revenue	Capital Projects	Total
Revenues			
Local Sources:			
Tuition	\$ 178,400	\$ -	\$ 178,400
Earnings on Investments	202,513	8,931	211,444
Net Decrease in the Fair Value of Investments	(73,069)	-	(73,069)
Food Service	3,606,992	-	3,606,992
Other	406,818	1,361	408,179
State Sources:			
Minimum Foundation Program	5,865,000	-	5,865,000
Other	2,996,652	-	2,996,652
Federal Sources			
	38,236,057	-	38,236,057
Total Revenues	51,419,363	10,292	51,429,655
Expenditures			
Current:			
Instruction:			
Regular Education Programs	1,396,188	-	1,396,188
Special Education Programs	7,330,230	-	7,330,230
Vocational Education Programs	268,503	-	268,503
Other Instructional Programs	507,393	-	507,393
Special Programs	10,645,539	-	10,645,539
Support Services:			
Pupil Support	2,356,217	-	2,356,217
Instructional Staff Support	5,308,128	-	5,308,128
General Administration	5,964	-	5,964
School Administration	7,344	-	7,344
Operation and Maintenance of Plant	11,344	5,705	17,049
Pupil Transportation	366,415	-	366,415
Central Services	61,801	-	61,801
Food Service	23,126,347	-	23,126,347
Facilities Acquisition and Construction	170,518	3,220,267	3,390,785
Total Expenditures	51,561,931	3,225,972	54,787,903
Deficiency of Revenues Over Expenditures	(142,568)	(3,215,680)	(3,358,248)
Other Financing Sources (Uses)			
Transfers In	2,038,000	3,375,000	5,413,000
Transfers Out	(1,324,699)	-	(1,324,699)
Total Other Financing Sources (Uses)	713,301	3,375,000	4,088,301
Net Change in Fund Balances	570,733	159,320	730,053
Fund Balances, Beginning of Year	31,693,774	1,176,333	32,870,107
Fund Balances, End of Year	\$ 32,264,507	\$ 1,335,653	\$ 33,600,160

See independent auditor's report.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

NON-MAJOR SPECIAL REVENUE FUNDS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2017**

	NCLB	IDEA	TANF	Vocational Education
Assets				
Cash and Cash Equivalents	\$ 540,967	\$ 40,251	\$ 810,244	\$ 1,930
Receivables				
Intergovernmental:				
Federal	1,277,453	1,866,324	513,486	114,526
State	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-
Restricted Investments	-	-	-	-
Total Assets	\$ 1,818,420	\$ 1,906,575	\$ 1,323,730	\$ 116,456
Liabilities and Fund Balances				
Liabilities				
Salaries and Withholdings Payable	\$ 394,764	\$ 453,046	\$ 185,967	\$ -
Accounts Payable	-	-	-	-
Due to Other Funds	1,423,656	1,453,529	1,137,763	116,456
Other Liabilities	-	-	-	-
Total Liabilities	1,818,420	1,906,575	1,323,730	116,456
Fund Balances				
Non-Spendable:				
Inventory	-	-	-	-
Restricted for:				
Operational Purposes	-	-	-	-
Food Service	-	-	-	-
Committed for:				
Special Programs	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 1,818,420	\$ 1,906,575	\$ 1,323,730	\$ 116,456

See independent auditor's report.

Miscellaneous Programs	8G	School Food Service	Katrina	CDBG	Total
\$ 12,726,368	\$ 114,950	\$ 5,780,155	\$ -	\$ 100,000	\$ 20,114,865
269,154	-	49,966	-	111,070	4,201,979
118,647	-	-	-	-	118,647
-	-	1,642	17,822	-	19,464
-	-	478,671	-	-	478,671
-	-	-	6,936,711	-	6,936,711
-	-	-	9,572,117	-	9,572,117
\$ 13,114,169	\$ 114,950	\$ 6,310,434	\$ 16,526,650	\$ 211,070	\$ 41,442,454
\$ 246,803	\$ 26,509	\$ 1,069,822	\$ -	\$ -	\$ 2,376,911
12,835	-	74,690	-	58,107	145,632
431,689	88,441	1,624,723	-	152,963	6,429,220
-	-	226,184	-	-	226,184
691,327	114,950	2,995,419	-	211,070	9,177,947
-	-	478,671	-	-	478,671
-	-	-	16,526,650	-	16,526,650
-	-	2,836,344	-	-	2,836,344
12,422,842	-	-	-	-	12,422,842
12,422,842	-	3,315,015	16,526,650	-	32,264,507
\$ 13,114,169	\$ 114,950	\$ 6,310,434	\$ 16,526,650	\$ 211,070	\$ 41,442,454

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017**

	NCLB	IDEA	TANF	Vocational Education
Revenues				
Local Sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	-	-	-
Net Decrease in the Fair Value of Investments	-	-	-	-
Food Service	-	-	-	-
Other	-	-	-	-
State Sources:				
Minimum Foundation Program	-	-	-	-
Other	-	-	-	-
Federal Sources	9,803,266	11,931,848	2,509,985	399,315
Total Revenues	9,803,266	11,931,848	2,509,985	399,315
Expenditures				
Current:				
Instruction:				
Regular Education Programs	797,868	-	-	-
Special Education Programs	-	6,958,837	-	-
Vocational Education programs	-	-	-	268,503
Other Instructional Programs	-	-	150,000	-
Special Programs	5,514,316	945	2,359,985	-
Support Services:				
Pupil Support	371,134	1,808,995	-	130,812
Instructional Staff Support	2,402,341	2,216,595	-	-
General Administration	2,966	2,986	-	-
School Administration	7,344	-	-	-
Operation and Maintenance of Plant	4,485	2,504	-	-
Pupil Transportation	76,662	265,474	-	-
Central Services	61,801	-	-	-
Food Service	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Total Expenditures	9,238,917	11,256,336	2,509,985	399,315
Excess (Deficiency) of Revenues Over Expenditures	564,349	675,512	-	-
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(564,349)	(675,512)	-	-
Total Other Financing Sources (Uses)	(564,349)	(675,512)	-	-
Net Changes in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

Exhibit 4

Miscellaneous Programs	8G	School Food Service	Katrina	CDBG	Total
\$ 178,400	\$ -	\$ -	\$ -	\$ -	\$ 178,400
50,214	-	22,484	129,815	-	202,513
-	-	-	(73,069)	-	(73,069)
-	-	3,606,992	-	-	3,606,992
220,450	-	186,368	-	-	406,818
-	-	5,865,000	-	-	5,865,000
2,675,468	321,184	-	-	-	2,996,652
1,604,224	-	11,816,901	-	170,518	38,236,057
<u>4,728,756</u>	<u>321,184</u>	<u>21,497,745</u>	<u>56,746</u>	<u>170,518</u>	<u>51,419,363</u>
598,320	-	-	-	-	1,396,188
371,393	-	-	-	-	7,330,230
-	-	-	-	-	268,503
357,393	-	-	-	-	507,393
2,472,480	297,813	-	-	-	10,645,539
45,276	-	-	-	-	2,356,217
665,821	23,371	-	-	-	5,308,128
-	-	12	-	-	5,964
-	-	-	-	-	7,344
4,355	-	-	-	-	11,344
24,279	-	-	-	-	366,415
-	-	-	-	-	61,801
-	-	23,126,347	-	-	23,126,347
-	-	-	-	170,518	170,518
<u>4,539,317</u>	<u>321,184</u>	<u>23,126,359</u>	<u>-</u>	<u>170,518</u>	<u>51,561,931</u>
189,439	-	(1,628,614)	56,746	-	(142,568)
-	-	2,038,000	-	-	2,038,000
(84,838)	-	-	-	-	(1,324,699)
<u>(84,838)</u>	<u>-</u>	<u>2,038,000</u>	<u>-</u>	<u>-</u>	<u>713,301</u>
104,601	-	409,386	56,746	-	570,733
12,318,241	-	2,905,629	16,469,904	-	31,693,774
<u>\$ 12,422,842</u>	<u>\$ -</u>	<u>\$ 3,315,015</u>	<u>\$ 16,526,650</u>	<u>\$ -</u>	<u>\$ 32,264,507</u>

**NCLB Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Federal Sources	\$ 9,803,266	\$ 9,803,266	\$ -
Total Revenues	9,803,266	9,803,266	-
Expenditures			
Instruction:			
Regular Education Programs	797,868	797,868	-
Special Programs	5,514,316	5,514,316	-
Support Services:			
Pupil Support	371,134	371,134	-
Instructional Staff Support	2,402,341	2,402,341	-
General Administration	2,966	2,966	-
School Administration	7,344	7,344	-
Operation and Maintenance of Plant	4,485	4,485	-
Pupil Transportation	76,662	76,662	-
Central Services	61,801	61,801	-
Total Expenditures	9,238,917	9,238,917	-
Excess of Revenues Over Expenditures	564,349	564,349	-
Other Financing Uses			
Transfers Out	(564,349)	(564,349)	-
Total Other Financing Uses	(564,349)	(564,349)	-
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

IDEA Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budget	Actual	Variance from Budget
Revenues			
Federal Sources	\$ 11,931,848	\$ 11,931,848	\$ -
Total Revenues	11,931,848	11,931,848	-
Expenditures			
Instruction:			
Special Education Programs	6,958,837	6,958,837	-
Special Programs	945	945	-
Support Services:			
Pupil Support	1,808,995	1,808,995	-
Instructional Staff Support	2,216,595	2,216,595	-
General Administration	2,986	2,986	-
Operation and Maintenance of Plant	2,504	2,504	-
Pupil Transportation	265,474	265,474	-
Total Expenditures	11,256,336	11,256,336	-
Excess of Revenues Over Expenditures	675,512	675,512	-
Other Financing Uses			
Transfers Out	(675,512)	(675,512)	-
Total Other Financing Uses	(675,512)	(675,512)	-
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

**TANF Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Federal Sources	\$ 2,509,985	\$ 2,509,985	\$ -
Total Revenues	<u>2,509,985</u>	<u>2,509,985</u>	<u>-</u>
Expenditures			
Instruction:			
Other Instructional Programs	150,000	150,000	-
Special Programs	2,359,985	2,359,985	-
Total Expenditures	<u>2,509,985</u>	<u>2,509,985</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**Vocational Education Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Federal Sources	\$ 399,315	\$ 399,315	\$ -
Total Revenues	399,315	399,315	-
Expenditures			
Instruction:			
Vocational Education Programs	268,503	268,503	-
Support Services:			
Pupil Support	130,812	130,812	-
Total Expenditures	399,315	399,315	-
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

**Miscellaneous Programs Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Local Sources:			
Tuition	\$ 178,400	\$ 178,400	\$ -
Earnings on Investments	50,214	50,214	-
Other	220,450	220,450	-
State Sources - Other	2,675,468	2,675,468	-
Federal Sources	1,604,224	1,604,224	-
Total Revenues	4,728,756	4,728,756	-
Expenditures			
Instruction:			
Regular Education Programs	598,320	598,320	-
Special Education Programs	371,393	371,393	-
Other Instructional Programs	357,393	357,393	-
Special Programs	2,472,480	2,472,480	-
Support Services:			
Pupil Support	45,276	45,276	-
Instructional Staff Support	665,821	665,821	-
Operation and Maintenance of Plant	4,355	4,355	-
Pupil Transportation	24,279	24,279	-
Total Expenditures	4,539,317	4,539,317	-
Excess of Revenues Over Expenditures	189,439	189,439	-
Other Financing Uses			
Transfers Out	(84,838)	(84,838)	-
Total Other Financing Uses	(84,838)	(84,838)	-
Net Change in Fund Balance	104,601	104,601	-
Fund Balance, Beginning of Year	12,318,241	12,318,241	-
Fund Balance, End of Year	\$ 12,422,842	\$ 12,422,842	\$ -

See independent auditor's report.

8G Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2017

	Budget	Actual	Variance from Budget
Revenues			
State Sources - Other	\$ 321,184	\$ 321,184	\$ -
Total Revenues	321,184	321,184	-
Expenditures			
Instruction:			
Special Programs	297,813	297,813	-
Instructional Staff Support	23,371	23,371	-
Total Expenditures	321,184	321,184	-
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

**School Food Service Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Local Sources:			
Earnings on Investments	\$ 22,484	\$ 22,484	\$ -
Food Service	3,606,992	3,606,992	-
Other	186,368	186,368	-
State Sources - Minimum Foundation Program	5,865,000	5,865,000	-
Federal Sources	11,816,902	11,816,901	(1)
Total Revenues	21,497,746	21,497,745	(1)
Expenditures			
General Administration	12	12	-
Food Service	23,148,465	23,126,347	22,118
Total Expenditures	23,148,477	23,126,359	22,118
Deficiency of Revenues Over Expenditures	(1,650,731)	(1,628,614)	22,117
Other Financing Sources			
Transfers In	2,038,000	2,038,000	-
Total Other Financing Sources	2,038,000	2,038,000	-
Net Change in Fund Balance	387,269	409,386	22,117
Fund Balance, Beginning of Year	2,905,629	2,905,629	-
Fund Balance, End of Year	\$ 3,292,898	\$ 3,315,015	\$ 22,117

See independent auditor's report.

**Katrina Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Earnings on Investments	\$ 129,815	\$ 129,815	\$ -
Net Decrease in the Fair Value of Investments	(73,069)	(73,069)	-
Total Revenues	56,746	56,746	-
Expenditures			
Facilities Acquisition and Construction	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balance	56,746	56,746	-
Fund Balance, Beginning of Year	16,469,904	16,469,904	-
Fund Balance, End of Year	\$ 16,526,650	\$ 16,526,650	\$ -

See independent auditor's report.

**Community Development Block Grant (CDBG) Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017**

	Budget	Actual	Variance from Budget
Revenues			
Federal Sources	\$ 1,713,957	\$ 170,518	\$ (1,543,439)
Total Revenues	1,713,957	170,518	(1,543,439)
Expenditures			
Facilities Acquisition and Construction	1,713,957	170,518	(1,543,439)
Total Expenditures	1,713,957	170,518	(1,543,439)
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

NON-MAJOR CAPITAL PROJECTS FUNDS

Non-Major Capital Projects Funds
 Combining Balance Sheet
 June 30, 2017

	Re-Roofing Construction	Parish Wide Construction	Total
Assets			
Cash and Cash Equivalents	\$ 1,400,311	\$ 690,080	\$ 2,090,391
Due from Other Funds	-	66,926	66,926
Total Assets	\$ 1,400,311	\$ 757,006	\$ 2,157,317
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 385,140	\$ 363,804	\$ 748,944
Contracts and Retainage Payable	26,043	46,677	72,720
Total Liabilities	411,183	410,481	821,664
Fund Balances			
Assigned for:			
Construction	989,128	346,525	1,335,653
Total Fund Balances	989,128	346,525	1,335,653
Total Liabilities and Fund Balances	\$ 1,400,311	\$ 757,006	\$ 2,157,317

See independent auditor's report.

**Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2017**

	Re-Roofing Construction	Parish Wide Construction	Total
Revenues			
Earnings on Investments	\$ 5,444	\$ 3,487	\$ 8,931
Other	-	1,361	1,361
Total Revenues	5,444	4,848	10,292
Expenditures			
Operation and Maintenance of Plant:			
Repairs and Maintenance	1,705	4,000	5,705
Facilities Acquisition and Construction:			
Architects and Engineers	41,319	371,498	412,817
Building and Site Improvements	756,310	2,051,140	2,807,450
Total Expenditures	799,334	2,426,638	3,225,972
Deficiency of Revenues Over Expenditures	(793,890)	(2,421,790)	(3,215,680)
Other Financing Sources			
Transfers In	1,075,000	2,300,000	3,375,000
Total Other Financing Sources	1,075,000	2,300,000	3,375,000
Net Change in Fund Balances	281,110	(121,790)	159,320
Fund Balances, Beginning of Year	708,018	468,315	1,176,333
Fund Balances, End of Year	\$ 989,128	\$ 346,525	\$ 1,335,653

See independent auditor's report.

Re-Roofing Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budget	Actual	Variance from Budget
Revenues			
Earnings on Investments	\$ 5,444	\$ 5,444	\$ -
Total Revenues	5,444	5,444	-
Expenditures			
Operation and Maintenance of Plant:			
Repairs and Maintenance	50,000	1,705	48,295
Facilities Acquisition and Construction:			
Architects and Engineers	100,000	41,319	58,681
Building and Site Improvements	1,000,000	756,310	243,690
Total Expenditures	1,150,000	799,334	350,666
Deficiency of Revenues Over Expenditures	(1,144,556)	(793,890)	350,666
Other Financing Sources			
Transfers In	1,075,000	1,075,000	-
Total Other Financing Sources	1,075,000	1,075,000	-
Net Change in Fund Balance	(69,556)	281,110	350,666
Fund Balance, Beginning of Year	708,018	708,018	-
Fund Balance, End of Year	\$ 638,462	\$ 989,128	\$ 350,666

See independent auditor's report.

Parish Wide Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budget	Actual	Variance from Budget
Revenues			
Earnings on Investments	\$ 3,487	\$ 3,487	\$ -
Other	1,361	1,361	-
Total Revenues	4,848	4,848	-
Expenditures			
Operation and Maintenance of Plant:			
Repairs and Maintenance	4,000	4,000	-
Facilities Acquisition and Construction:			
Architects and Engineers	375,000	371,498	3,502
Building and Site Improvements	2,203,463	2,051,140	152,323
Total Expenditures	2,582,463	2,426,638	155,825
Deficiency of Revenues Over Expenditures	(2,577,615)	(2,421,790)	155,825
Other Financing Sources			
Transfers In	2,300,000	2,300,000	-
Total Other Financing Sources	2,300,000	2,300,000	-
Net Change in Fund Balance	(277,615)	(121,790)	155,825
Fund Balance, Beginning of Year	468,315	468,315	-
Fund Balance, End of Year	\$ 190,700	\$ 346,525	\$ 155,825

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

INTERNAL SERVICE FUNDS

Internal Service Funds
Combining Statement of Net Position
June 30, 2017

	Workers' Compensation	Risk Management	Total
Current Assets			
Cash and Cash Equivalents	\$ 5,961,260	\$ 3,168,872	\$ 9,130,132
Investments	1,947,806	-	1,947,806
Accounts Receivable	947	-	947
Prepays	-	-	-
Due from Other Funds	1,000,000	260,000	1,260,000
Total Assets	\$ 8,910,013	\$ 3,428,872	\$ 12,338,885
Liabilities and Net Position			
Current Liabilities			
Accounts Payable	\$ 14,272	\$ 33,271	\$ 47,543
Benefit Claims Payable	4,573,844	-	4,573,844
Claims Liability	-	641,994	641,994
Total Current Liabilities	4,588,116	675,265	5,263,381
Long-Term Liabilities			
Benefit Claims Payable	2,406,329	-	2,406,329
Claims Liability	-	826,534	826,534
Total Long-Term Liabilities	2,406,329	826,534	3,232,863
Total Liabilities	6,994,445	1,501,799	8,496,244
Net Position			
Restricted for Employee Benefits	1,915,568	-	1,915,568
Unrestricted	-	1,927,073	1,927,073
Total Net Position	1,915,568	1,927,073	3,842,641
Total Liabilities and Net Position	\$ 8,910,013	\$ 3,428,872	\$ 12,338,885

See independent auditor's report.

**Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Position
For the Year Ended June 30, 2017**

	Workers' Compensation	Risk Management	Total
Operating Revenues			
Employer/Employee Contributions	\$ 4,469,312	\$ 2,995,313	\$ 7,464,625
Decrease in Incurred but not Reported (IBNR) Claims	1,542,702	499,631	2,042,333
Total Operating Revenues	6,012,014	3,494,944	9,506,958
Operating Expenses			
Administrative	26,933	165,794	192,727
Contractual Services	619,369	40,901	660,270
Premium Payments	-	1,275,353	1,275,353
Benefit Payments	3,946,470	-	3,946,470
Claims	-	1,708,017	1,708,017
Total Operating Expenses	4,592,772	3,190,065	7,782,837
Operating Income	1,419,242	304,879	1,724,121
Non-Operating Revenue			
Earnings on Investments	27,829	7,241	35,070
Net Decrease in the Fair Value of Investments	(9,777)	-	(9,777)
Total Non-Operating Revenue	18,052	7,241	25,293
Changes in Net Position	1,437,294	312,120	1,749,414
Net Position, Beginning of Year	478,274	1,614,953	2,093,227
Net Position, End of Year	\$ 1,915,568	\$ 1,927,073	\$ 3,842,641

See independent auditor's report.

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2017

	Workers' Compensation	Risk Management	Total
Cash Flows from Operating Activities			
Receipts from Employer and Employee Contributions	\$ 8,134,792	\$ 2,735,313	\$ 10,870,105
Payments for Benefits and Claims	(3,946,470)	(2,983,370)	(6,929,840)
Payments for Administrative and Contractual Services	(1,142,652)	625,408	(517,244)
Net Cash Provided by Operating Activities	3,045,670	377,351	3,423,021
Cash Flows From Investing Activities			
Sale of Investments	1,300,000	-	1,300,000
Earnings on Cash and Investments	27,829	7,241	35,070
Net Cash Provided by Investing Activities	1,327,829	7,241	1,335,070
Net Increase in Cash and Cash Equivalents	4,373,499	384,592	4,758,091
Cash and Cash Equivalents, Beginning of Year	1,587,761	2,784,280	4,372,041
Cash and Cash Equivalents, End of Year	\$ 5,961,260	\$ 3,168,872	\$ 9,130,132
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 1,419,242	\$ 304,879	\$ 1,724,121
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Decrease in Incurred but not Reported (IBNR) Claims	(1,542,702)	(499,631)	(2,042,333)
(Increase) Decrease in Receivables	3,665,480	(260,000)	3,405,480
Decrease in Prepays	17,461	863,676	881,137
Decrease in Payables	(513,811)	(31,573)	(545,384)
Total Adjustments	1,626,428	72,472	1,698,900
Net Cash Provided by Operating Activities	\$ 3,045,670	\$ 377,351	\$ 3,423,021
Non-Cash Investing and Financing Activities			
Net Decrease in the Fair Value of Investments	\$ 9,777	\$ -	9,777

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

FIDUCIARY/AGENCY FUND

Fiduciary/Agency Fund
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and Cash Equivalents	\$ 6,872,781	\$ 13,066,616	\$ 12,856,091	\$ 7,083,306
Investments	419,624	657	-	420,281
Total Assets	\$ 7,292,405	\$ 13,067,273	\$ 12,856,091	\$ 7,503,587
Liabilities				
Accounts Payable	\$ 85,103	\$ 6,000	\$ 35,383	\$ 55,720
Due to Schools	7,207,302	13,061,273	12,820,708	7,447,867
Total Liabilities	\$ 7,292,405	\$ 13,067,273	\$ 12,856,091	\$ 7,503,587

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**MAJOR CAPITAL PROJECTS AND
DEBT SERVICE FUNDS**

2013 Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budget	Actual	Variance from Budget
Revenues			
Earnings on Investments	\$ 267,093	\$ 267,093	\$ -
Net Decrease in the Fair Value of Investments	(89,394)	(89,394)	-
Total Revenues	177,699	177,699	-
Expenditures			
General Administration:			
Professional Technical Services	28,218	28,218	-
Operation and Maintenance of Plant:			
Repairs and Maintenance	5,000,000	3,360,663	1,639,337
Facilities Acquisition and Construction:			
Architects and Engineers	3,000,000	1,062,349	1,937,651
Building Improvements	40,000,000	38,103,288	1,896,712
Equipment	2,000,000	-	2,000,000
Debt Service:			
Bond Issuance Costs	99,037	99,037	-
Total Expenditures	50,127,255	42,653,555	7,473,700
Deficiency of Revenues Over Expenditures	(49,949,556)	(42,475,856)	7,473,700
Other Financing Sources			
Bond Issuance	30,000,000	30,000,000	-
Premium Received on Bonds Issued	2,483,880	2,483,880	-
Total Other Financing Sources	32,483,880	32,483,880	-
Net Change in Fund Balance	(17,465,676)	(9,991,976)	7,473,700
Fund Balance, Beginning of Year	26,157,975	26,157,975	-
Fund Balance, End of Year	\$ 8,692,299	\$ 16,165,999	\$ 7,473,700

See independent auditor's report.

Parish Wide School District No. 12 Debt Service Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budget	Actual	Variance from Budget
Revenues			
Local Sources:			
Taxes - Ad Valorem	\$ 34,640,736	\$ 34,640,736	\$ -
Earnings on Investments	177,780	177,780	-
Net Decrease in the Fair Value of Investments	(71,840)	(71,840)	-
Total Revenues	34,746,676	34,746,676	-
Expenditures			
General Administration:			
Pension Fund Contribution	1,092,800	1,092,800	-
Equipment for Assessor's Office	38,960	38,960	-
Debt Service:			
Bond Issuance Costs	7,000	7,000	-
Principal Retirement	20,475,000	20,475,000	-
Interest and Bond Charges	9,472,215	9,472,215	-
Total Expenditures	31,085,975	31,085,975	-
Excess of Revenues Over Expenditures	3,660,701	3,660,701	-
Other Financing Sources (Uses)			
Bond Issuance	9,890,000	9,890,000	-
Premium Received on Bonds Issued	1,084,668	1,084,668	-
Discount on Bonds Issued	(59,340)	(59,340)	-
Payment to Refunded Bonds Escrow Agent	(11,115,578)	(11,115,578)	-
Total Other Financing Sources (Uses)	(200,250)	(200,250)	-
Net Change in Fund Balance	3,460,451	3,460,451	-
Fund Balance, Beginning of Year	26,727,064	26,727,064	-
Fund Balance, End of Year	\$ 30,187,515	\$ 30,187,515	\$ -

See independent auditor's report.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

OTHER SCHEDULES

**Board Members' Compensation
For the Year Ended June 30, 2017**

Name		Compensation Base (1)	Additional Compensation	Total
Mary K. Bellisario		\$ 9,600	\$ -	\$ 9,600
Ronald "Ron" Bettencourt		9,600	-	9,600
Dennis S. Cousin		9,600	-	9,600
Michael J. Dirmann		9,600	-	9,600
Sharon L. Drucker		9,600	-	9,600
Charles T. Harrell		9,600	-	9,600
Elizabeth B. Heintz		9,600	-	9,600
Neal Hennegan		9,600	-	9,600
Richard S. Hursey		9,600	-	9,600
Willie B. Jeter		9,600	-	9,600
Stephen J. "Jack" Loup, III	(2)	10,200	-	10,200
Robin Mullett	(2)	10,200	-	10,200
Michael C. Nation		9,600	-	9,600
Peggy H. Seeley		9,600	-	9,600
Robert R. "Bob" Womack		9,600	-	9,600
Total		\$ 145,200	\$ -	\$ 145,200

Notes:

- (1) Base compensation per member is \$800 per month.
- (2) Presiding President of the Board receives \$900 per month in base compensation.
New President effective January 1, 2017.

See independent auditor's report.

**Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2017**

Agency Head

William L. "Trey" Folsie, III, Superintendent

Purpose	Amount
Annual Salary	\$207,944
One Time Stipends - All Employees	\$3,270
Benefits:	
Health Insurance	\$10,920
Retirement	\$55,772
Workers Comp	\$2,458
Life Insurance	\$2,659
Annuity	\$7,500
Unused Vacation Days (January 2016 to June 2017)	\$22,251
Auto Allowance	\$14,400
Membership Dues	\$1,006
Per Diem	\$581
Travel Reimbursements	\$961
Registration Fees	\$1,780
Conference Travel	\$2,567
Special Meals	\$285

See independent auditor's report.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

This part of the St. Tammany Parish School Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School Board's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1 - 4
These schedules contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.	
Revenue Capacity	5 - 10
These schedules contain information to help the reader assess the School Board's most significant local revenue sources.	
Debt Capacity	11 - 15
These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue additional debt in the future.	
Demographic and Economic Information	16 - 17
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.	
Operating Information	18 - 23
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year Ended June 30,			
	2017	2016	2015	2014
Governmental Activities				
Net Investment in Capital Assets	\$ 278,725,385	\$ 275,818,647	\$ 267,656,974	\$ 240,695,424
Restricted	46,431,571	42,655,519	46,101,355	56,338,238
Unrestricted	(592,829,537)	(590,897,441)	(627,358,207)	(78,819,873)
Total Governmental Activities Net Position	\$ (267,672,581)	\$ (272,423,275)	\$ (313,599,878)	\$ 218,213,789

Source: Comprehensive Annual Financial Reports - Information available for ten years.

Table 1

Fiscal Year Ended June 30,					
2013	2012	2011	2010	2009	2008
\$ 255,219,093	\$ 239,101,650	\$ 256,897,670	\$ 255,099,402	\$ 202,532,800	\$ 156,950,308
42,035,883	46,522,516	62,146,611	22,595,295	19,619,889	11,906,700
(149,625,491)	(121,600,475)	(127,169,111)	(38,945,775)	19,497,091	43,596,197
<u>\$ 147,629,485</u>	<u>\$ 164,023,691</u>	<u>\$ 191,875,170</u>	<u>\$ 238,748,922</u>	<u>\$ 241,649,780</u>	<u>\$ 212,453,205</u>

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year Ended June 30,			
	2017	2016	2015	2014
Expenses:				
Instruction:				
Regular Education Programs	\$ 175,753,408	\$ 165,509,231	\$ 166,313,355	\$ 165,675,465
Special Education Programs	82,805,092	74,641,615	80,221,894	79,867,083
Vocational Education Programs	6,747,530	6,043,428	6,099,463	6,065,754
Other Instructional Programs	9,946,540	9,267,676	8,809,511	10,745,430
Special Programs	14,272,772	12,849,790	7,303,049	6,790,559
Adult Education Programs	-	-	-	-
Support Services:				
Pupil Support	29,894,159	27,070,669	26,987,719	27,723,376
Instructional Staff Support	16,342,945	15,209,584	14,975,938	15,715,236
General Administration	9,685,533	13,198,874	9,146,981	8,592,184
School Administration	25,649,616	24,022,572	24,519,343	25,675,300
Business Administration	2,877,076	2,611,043	2,678,400	2,534,170
Operation and Maintenance of Plant	43,735,630	39,959,652	39,430,023	44,874,378
Pupil Transportation	35,491,892	34,382,966	33,926,323	36,272,937
Central Services	10,310,417	7,706,686	7,446,648	6,617,615
Food Services	24,951,943	23,429,865	23,033,446	23,051,521
Community Service Programs	1,435,367	1,417,803	1,423,456	1,396,823
Interest on Long-Term Debt	8,805,812	8,666,311	8,522,744	8,093,108
Total Expenses	498,705,732	465,987,765	460,838,293	469,690,939
Program Revenues:				
Charges for Services:				
Instruction	542,350	651,169	512,092	466,075
Food Services	3,606,992	3,302,346	2,946,103	2,749,909
Community Service Programs	1,210,581	1,209,313	1,194,880	1,087,508
Operating Grants and Contributions	47,306,925	46,210,308	44,235,569	37,600,036
Capital Grants and Contributions	170,518	-	356,719	1,256,886
Total Program Revenues	52,837,366	51,373,136	49,245,363	43,160,414
Net Expense	(445,868,366)	(414,614,629)	(411,592,930)	(426,530,525)
General Revenues and Other Changes in Net Position:				
Taxes:				
Ad Valorem (Property) Taxes	131,360,661	126,034,974	121,964,448	117,444,823
Sales and Use Taxes	96,519,698	93,372,055	89,782,899	85,228,553
State Revenue Sharing	1,958,581	1,874,822	1,975,831	1,991,297
Grants and Contributions Not Restricted to Specific Programs - Minimum Foundation Program	217,614,516	214,216,311	212,051,558	209,165,185
Unrestricted State Appropriation	-	20,463	-	-
Restricted State Appropriation	1,201,689	2,981,344	-	-
HB 1 Appropriation	-	-	-	4,957,585
Act 55 Appropriation	-	-	35,065	-
B.P. Oil Settlement	-	15,432,238	-	-
Interest and Investment Earnings	893,043	950,572	740,524	1,023,396
Insurance Proceeds	-	-	-	-
Gain on Sale of Assets	-	-	-	-
Miscellaneous	1,070,872	908,453	1,363,868	1,738,505
Special Item - Restatement	-	-	-	-
Special Item - Loss on Disposition of Capital Assets	-	-	-	-
Extraordinary Item - Forgiveness of Debt	-	-	-	78,790,583
Total General Revenues and Other Changes in Net Position	450,619,060	455,791,232	427,914,193	500,339,927
Change in Net Position	\$ 4,750,694	\$ 41,176,603	\$ 16,321,263	\$ 73,809,402

Source: Comprehensive Annual Financial Reports - Information available for ten years.

Table 2

Fiscal Year Ended June 30,					
2013	2012	2011	2010	2009	2008
\$ 163,422,306	\$ 163,155,543	\$ 164,314,782	\$ 149,434,835	\$ 142,642,325	\$ 149,055,479
75,704,187	77,210,381	89,268,907	76,655,867	74,326,162	75,534,212
6,426,132	6,453,189	6,682,996	6,093,611	5,804,540	6,300,120
11,345,543	12,594,810	13,468,466	13,829,209	14,882,116	16,302,774
11,831,134	11,706,882	15,428,531	13,143,735	11,243,792	12,295,826
-	-	-	355,165	406,423	469,083
28,459,624	29,365,296	23,189,486	19,781,955	15,700,409	16,296,658
16,782,579	18,488,294	19,292,023	16,559,444	15,434,557	16,966,498
8,858,931	8,583,071	8,626,699	7,978,436	7,925,766	8,450,173
25,919,878	26,086,302	26,487,373	23,383,836	22,141,850	21,729,282
2,619,391	2,905,920	3,172,252	2,884,197	2,609,547	2,759,986
42,492,603	43,507,860	27,381,227	34,723,590	34,272,688	37,390,691
37,489,986	38,175,079	38,219,124	32,459,145	31,603,396	31,936,940
6,859,916	7,327,045	7,948,922	7,293,744	8,280,124	7,908,990
23,840,465	23,885,125	23,787,739	21,285,705	20,628,334	21,342,601
1,391,504	1,346,361	1,450,103	1,356,639	1,440,596	1,924,210
10,459,845	12,342,453	11,894,061	12,216,768	11,609,204	3,053,179
473,904,024	483,133,411	480,612,691	439,435,881	420,951,829	429,716,702
446,884	581,454	176,226	269,807	1,528,919	1,686,022
2,755,899	2,994,653	3,050,741	3,023,636	3,078,385	3,301,946
1,042,729	1,040,571	1,202,833	1,167,220	1,368,615	1,399,123
38,713,827	38,257,130	52,092,620	44,056,696	31,955,639	32,521,189
5,628,374	15,139,673	4,346,052	25,864,965	35,401,245	9,348,184
48,587,713	58,013,481	60,868,472	74,362,324	73,332,803	48,256,464
(425,316,311)	(425,119,930)	(419,744,219)	(365,053,557)	(347,619,026)	(381,460,238)
113,965,977	108,330,629	106,306,734	101,670,428	99,813,880	83,660,520
82,874,124	77,922,516	75,235,263	72,079,382	77,359,837	84,844,401
1,917,347	1,906,476	1,943,649	1,953,133	1,971,376	2,086,894
205,634,315	205,142,441	198,769,620	181,812,673	180,116,316	173,501,201
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
823,703	972,281	1,180,463	1,439,649	4,154,856	8,689,903
-	-	-	-	10,676,833	-
-	-	-	-	-	54,763
3,706,639	2,994,108	916,067	3,197,434	2,722,503	5,012,825
-	-	-	-	-	8,882,782
-	-	(13,829,699)	-	-	-
-	-	2,348,370	-	-	-
408,922,105	397,268,451	372,870,467	362,152,699	376,815,601	366,733,289
\$ (16,394,206)	\$ (27,851,479)	\$ (46,873,752)	\$ (2,900,858)	\$ 29,196,575	\$ (14,726,949)

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)**

Fiscal Year	General Fund			All Other Governmental Funds			
	Non-Spendable	Committed	Assigned	Non-Spendable	Restricted	Committed	Assigned
2017	\$ 1,186,387	\$ 20,854,282	\$ 85,859,791	\$ 478,671	\$ 65,716,508	\$ 12,422,842	\$ 1,335,653
2016	1,041,965	20,854,282	74,506,288	548,997	71,711,575	12,318,241	1,176,333
2015	1,069,590	20,854,282	62,089,950	427,945	116,511,496	825,997	1,511,841
2014	742,574	20,854,282	44,956,576	700,942	82,783,705	915,770	2,714,009
2013	103,463	20,854,282	34,251,214	443,305	68,085,439	783,673	5,063,922
2012	142,520	20,854,282	24,697,634	300,512	79,764,726	394,343	4,149,319
2011	90,471	20,854,282	30,430,292	361,966	96,187,194	305,995	4,086,326
2010	6,544	20,854,282	30,511,953	444,531	123,314,896	141,477	22,018,055

Fiscal Year	General Fund			All Other Governmental Funds			Total All Other Govern- mental Funds
	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Projects Funds	
2009	-	49,935,270	49,935,270	20,075,709	98,098,249	86,763,714	204,937,672
2008	-	55,784,162	55,784,162	12,278,923	94,163,582	41,296,796	147,739,301

Note: FY 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010 were presented in conformity with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. See Note 16.

* Includes Special Revenue Capital Projects and Debt Service Funds.
All fund balances in Debt Service Funds are reserved to pay future debt service.

Source: Comprehensive Annual Financial Reports



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year Ended June 30,			
	2017	2016	2015	2014
Revenues				
Local Sources:				
Ad Valorem Taxes	\$ 131,360,661	\$ 126,034,974	\$ 121,980,372	\$ 117,617,828
Sales and Use Taxes	96,519,698	93,372,055	89,782,899	85,228,553
Tuition	1,752,931	1,860,462	1,706,972	1,553,583
Earnings on Investments	1,127,346	993,400	833,362	1,023,396
Net Increase (Decrease) in the Fair Value of Investments	(234,303)	(42,828)	(92,838)	-
Food Service	3,606,992	3,302,346	2,946,103	2,749,909
B.P. Oil Settlement	-	15,432,238	-	-
Other	4,775,922	5,826,638	4,743,693	2,985,272
State Sources:				
Minimum Foundation Program	217,614,516	214,216,311	212,051,558	209,165,185
HB 1 Appropriation	-	-	-	4,957,585
Act 55 Appropriation	-	-	35,065	-
Unrestricted State Appropriation	-	20,463	-	-
Restricted State Appropriation	1,201,689	2,981,344	-	-
Contributions to Teachers' Retirement	18,615	23,706	31,439	40,792
Revenue Sharing	1,958,581	1,874,822	1,975,831	1,991,297
Professional Improvement Program	72,999	89,728	103,102	135,943
Other	3,188,538	1,927,694	3,582,090	3,865,488
Federal Sources				
	38,735,548	37,563,460	35,877,268	33,567,932
Total Revenues	501,699,733	505,466,833	475,536,916	464,882,763
Expenditures				
Current:				
Instruction:				
Regular Education Programs	162,894,510	162,257,065	160,269,991	152,112,414
Special Education Programs	76,746,705	73,070,453	77,306,852	73,328,752
Other Education Programs	28,701,170	27,712,046	21,404,901	21,669,584
Support Services:				
Pupil Support	27,706,970	26,538,745	26,007,063	25,453,797
Instructional Staff Support	15,147,222	14,910,725	14,431,754	14,428,707
General Administration	8,976,897	12,939,524	8,814,605	7,888,783
School Administration	23,772,976	23,550,542	23,628,377	23,573,387
Business Administration	2,666,577	2,559,738	2,581,073	2,326,710
Operation and Maintenance of Plant	40,535,737	39,174,468	37,997,246	41,200,729
Pupil Transportation	32,895,149	33,707,361	32,683,535	33,303,447
Central Services	9,556,062	7,555,254	7,176,058	6,075,864
Food Services	23,126,347	22,969,482	22,196,474	21,164,406
Community Service Programs	1,330,349	1,389,944	1,371,732	1,282,471
Facilities Acquisition and Construction	43,583,177	46,615,084	24,313,023	9,853,782
Debt Service - Legal Fees	-	-	1,231	14,135
Debt Service - Election Expenses	-	-	-	-
Debt Service - Bond Issuance Costs	137,236	23,245	428,521	76,266
Debt Service - Principal	20,949,542	23,596,612	21,378,333	19,293,333
Debt Service - Interest	9,560,284	9,597,540	8,714,751	8,703,435
Total Expenditures	528,286,910	528,167,828	490,715,520	461,750,002
Excess (Deficiency) of Revenues Over Expenditures	(26,587,177)	(22,700,995)	(15,178,604)	3,132,761
Other Financing Sources (Uses)				
Payment to Escrow Agent from Refunding Bond Issuance	(11,115,578)	-	(41,090,553)	(13,562,564)
Premium Received on Bonds Issuance	3,568,548	-	11,127,400	2,494,903
Discount on Bonds Issuance	(59,340)	-	-	(72,540)
Bonds Issuance	39,890,000	-	94,765,000	32,090,000
Capital Lease Issuance	-	1,567,575	-	-
Sales of Capital Assets	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In	6,737,699	6,075,830	5,450,535	23,076,524
Transfers Out	(6,737,699)	(6,075,830)	(5,450,535)	(23,076,524)
Total Other Financing Sources (Uses)	32,283,630	1,567,575	64,801,847	20,949,799
Net Change in Fund Balances	\$ 5,696,453	\$ (21,133,420)	\$ 49,623,243	\$ 24,062,560
Debt Service as a Percentage of Noncapital Expenditures	6.35%	6.28%	6.48%	6.22%

Source: Comprehensive Annual Financial Reports

Table 4

Fiscal Year Ended June 30,					
2013	2012	2011	2010	2009	2008
\$ 113,777,048	\$ 108,701,407	\$ 106,080,018	\$ 103,654,878	\$ 97,685,368	\$ 83,888,326
82,874,124	77,922,516	75,235,263	72,079,382	77,359,837	93,281,812
1,489,613	1,622,025	1,379,059	1,437,027	1,528,919	1,666,022
823,703	972,281	1,180,463	1,439,649	2,722,495	8,669,903
-	-	-	-	-	-
2,755,899	2,994,653	3,050,741	3,023,636	3,078,385	3,301,946
-	-	-	-	-	-
4,189,300	3,236,116	3,347,668	3,769,904	3,348,460	1,764,267
205,634,315	205,142,441	198,769,620	181,812,673	180,116,316	173,501,201
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
46,594	41,862	38,640	45,712	48,495	57,059
1,917,347	1,906,476	1,943,649	1,953,133	1,971,376	2,066,894
176,606	225,250	267,972	342,811	369,618	435,420
2,068,473	1,779,359	2,511,755	6,819,254	12,143,910	10,132,502
41,567,867	51,108,324	51,459,119	62,141,414	62,162,333	42,038,308
457,320,889	455,652,710	445,263,967	438,519,473	442,535,512	420,863,660
146,164,152	147,685,477	142,077,073	144,341,429	133,355,707	129,525,124
67,709,473	69,889,456	77,187,609	74,043,093	69,487,215	65,514,042
26,476,614	27,838,768	30,764,740	32,282,559	30,231,604	30,203,249
25,454,155	26,580,941	20,051,113	19,107,698	14,678,246	14,147,088
15,010,261	16,735,273	16,681,117	15,995,024	14,429,702	14,733,249
7,923,386	7,769,242	7,459,196	7,706,495	7,409,765	7,323,346
23,182,618	23,612,854	22,902,677	22,586,811	20,700,322	18,669,821
2,342,771	2,630,386	2,742,932	2,785,891	2,439,653	2,394,116
38,005,186	39,382,356	35,624,333	33,540,055	32,041,391	32,288,195
33,530,869	34,555,398	33,046,700	31,352,793	29,545,881	27,757,246
6,135,477	6,632,309	6,673,146	7,045,141	7,741,053	6,751,697
21,322,800	21,620,388	20,577,669	20,560,193	19,285,342	18,441,434
1,244,554	1,218,701	1,253,851	1,310,398	1,346,808	1,671,217
13,264,829	22,047,234	62,895,583	86,491,105	85,418,654	69,456,536
-	49,226	66,672	102,078	1,625	30,125
-	-	-	-	5,022	58,109
5,857	7,057	10,898	17,249	81,447	75,590
21,183,334	38,003,333	19,533,333	18,095,000	12,595,000	11,805,771
9,022,154	10,656,706	10,599,005	10,012,977	8,830,790	7,450,217
457,978,490	496,915,105	510,347,647	527,375,989	489,625,227	458,495,272
(657,601)	(41,262,395)	(65,083,680)	(88,856,516)	(47,089,715)	(37,631,612)
(20,389,649)	(20,701,556)	-	-	-	-
2,407,392	1,834,163	108,488	1,275,312	1,432,361	-
(108,180)	(113,400)	-	-	-	-
18,030,000	38,230,000	20,000,000	30,000,000	86,330,000	670,000
-	-	-	-	-	54,763
-	-	-	-	10,676,833	-
6,671,301	17,643,714	10,170,630	152,558,101	90,170,841	123,228,341
(6,671,301)	(17,643,714)	(10,170,630)	(152,558,101)	(90,170,841)	(123,228,341)
(60,437)	19,249,205	20,108,488	31,275,312	96,439,194	724,763
\$ (718,038)	\$ (22,013,190)	\$ (44,975,192)	\$ (57,581,204)	\$ 51,349,479	\$ (36,906,849)
6.90%	10.41%	6.79%	6.51%	5.39%	4.84%

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Real Estate Assessed Value	Commercial and Other Property Assessed Value	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value*
<u>Parish of St. Tammany</u>						
2017	\$ 2,083,892,697	\$ 390,707,076	\$ 2,474,599,773	\$ 23,068,220,863	66.41	10.73%
2016	1,952,866,176	383,311,247	2,336,177,423	21,717,437,940	68.18	10.76%
2015	1,653,788,138	625,275,075	2,279,063,213	20,334,905,080	68.18	11.21%
2014	1,537,277,075	675,742,656	2,213,019,731	19,877,721,790	68.18	11.13%
2013	1,525,724,378	644,823,218	2,170,547,596	19,556,065,233	68.18	11.10%
2012	1,481,091,078	596,195,410	2,077,286,488	18,785,546,847	68.45	11.06%
2011	1,483,378,855	588,578,634	2,071,957,489	18,757,646,110	68.45	11.05%
2010	1,418,336,365	552,132,297	1,970,468,662	17,864,245,630	68.45	11.03%
2009	1,430,237,736	530,052,013	1,960,289,749	17,836,057,447	69.45	10.99%
2008	1,244,467,016	285,489,975	1,529,956,991	13,734,895,657	77.84	11.14%

*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are 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. The overall assessed value is estimated to be 11% of actual market value.

Source: Louisiana Tax Commission Annual Reports

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Table 6

**Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	Type of Business	June 30, 2017			June 30, 2008		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Central La. Electric Co.	Utility	\$ 52,749,150	1	2.69 %	\$ 33,243,580	1	3.42 %
Florida Marine Transporters	Transportation	15,114,210	2	0.77			
AT&T Southeast	Telephone	14,506,220	3	0.74			
Chevron USA Inc.	Energy	11,427,970	4	0.58			
Associated Wholesale Grocers	Retail	10,632,090	5	0.54			
Parkway Pipeline LLC	Energy	10,030,240	6	0.51			
Atmos Energy Louisiana	Utility	9,602,180	7	0.49	4,911,900	8	0.50
Tri-States NGL Pipeline, Inc	Energy	8,192,780	8	0.42			
Wash-St. Tammany Elec Coop	Utility	8,026,020	9	0.41	5,380,070	5	0.55
J P Morgan Chase Bank	Bank	7,074,015	10	0.36	5,805,830	4	0.60
Bellsouth Telecommunications	Telephone				20,458,310	2	2.10
Hibernia National Bank	Bank				11,665,004	3	1.20
Parish National Bank	Bank				5,271,780	6	0.54
Verizon Wireless	Telephone				4,999,500	7	0.51
Epic Development Inc	Real Estate				4,062,750	9	0.42
Charter Communications	Utility				3,858,470	10	0.40
		<u>\$ 147,354,875</u>		<u>7.51 %</u>	<u>\$ 99,657,194</u>		<u>10.24 %</u>

Source: St. Tammany Parish Assessor's Office

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

School Board (Parish Wide)						
Year	Constitutional	Additional Support	Construction, Maintenance, and Operations	Improve, Maintain, and Operating	Bond and Interest - District No. 12 Millage	Total School Board
<u>RATE PER \$1,000 OF ASSESSED VALUE</u>						
2017	3.65	7.53	3.30	34.03	17.90	66.41
2016	3.78	7.81	3.42	35.27	17.90	68.18
2015	3.78	7.81	3.42	35.27	17.90	68.18
2014	3.78	7.81	3.42	35.27	17.90	68.18
2013	3.78	4.81	3.42	35.27	20.90	68.18
2012	3.80	4.84	3.44	35.47	20.90	68.45
2011	3.80	4.84	3.44	35.47	20.90	68.45
2010	3.80	4.84	3.44	35.47	20.90	68.45
2009	3.80	4.84	3.44	35.47	21.90	69.45
2008	4.47	5.69	4.05	41.73	21.90	77.84

Source: St. Tammany Parish Assessor's Office

Table 7

Other Governments (Parish Wide)								
Parish Council Millage	Law Enforcement Millage	Assessor Millage	City of Abita Springs Millage	City of Covington Millage	City of Madisonville Millage	City of Mandeville Millage	City of Pearl River Millage	City of Slidell Millage
<u>RATE PER \$1,000 OF ASSESSED VALUE</u>								
19.94	11.25	2.60	15.71	21.24	8.21	10.31	9.98	27.52
20.67	11.66	2.69	15.86	21.50	8.55	11.03	10.00	22.50
19.01	11.66	2.69	15.86	21.80	8.55	15.80	10.00	25.85
19.01	11.66	2.71	15.86	21.80	8.55	15.80	10.00	25.89
19.43	11.66	2.71	15.86	22	8.55	15.8	10.00	26.56
19.54	11.73	2.73	15.86	22.04	8.59	15.82	10	26.79
19.54	11.73	2.73	15.86	22.04	8.59	15.92	9.67	27.82
19.54	11.73	2.73	15.86	23.04	8.59	16.00	9.67	27.82
19.54	11.73	2.73	16.86	23.04	8.59	16.07	9.67	27.82
19.54	12.10	3.21	16.86	24.27	11.63	17.29	10.00	30.98

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections for Prior Years	Total Collections	Ratio of Total Collections to Tax Levy
2017	\$ 130,104,319	\$ 128,592,162	98.8	\$ 2,768,499	\$ 131,360,661	101.0
2016	124,812,566	123,641,489	99.1	2,393,485	126,034,974	101.0
2015	121,197,326	119,256,432	98.4	2,723,940	121,980,372	100.6
2014	116,871,308	115,767,944	99.1	1,849,884	117,617,828	100.6
2013	113,912,376	112,745,122	99.0	1,031,926	113,777,048	99.9
2012	108,198,475	106,265,778	98.2	2,435,629	108,701,407	100.5
2011	107,722,480	104,518,418	97.0	1,561,600	106,080,018	98.5
2010	101,723,628	99,091,851	97.4	2,425,786	101,517,637	99.8
2009	101,529,080	95,833,849	94.4	1,851,519	97,685,368	96.2
2008	85,059,132	82,325,377	96.8	1,317,822	83,643,199	98.3

Sources: St. Tammany Parish Sheriff's Office and the St. Tammany Parish School Board Business Affairs Department

Note: The St. Tammany Parish Tax Collector, which is the St. Tammany Parish Sheriff's Office, is unable to provide information on which year the prior year taxes are for.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Table 9

**Sales Tax Revenue
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	1% Sales Tax 1966	1% Sales Tax 1977	Total Sales Tax
2017	\$ 48,259,849	\$ 48,259,849	\$ 96,519,698
2016	46,686,028	46,686,027	93,372,055
2015	44,891,449	44,891,450	89,782,899
2014	42,614,129	42,614,424	85,228,553
2013	41,437,062	41,437,062	82,874,124
2012	38,961,258	38,961,258	77,922,516
2011	37,617,631	37,617,632	75,235,263
2010	36,039,691	36,039,691	72,079,382
2009	38,661,896	38,697,941	77,359,837
2008	46,640,906	46,640,906	93,281,812

Source: Comprehensive Annual Financial Reports

Principal Sales Tax Payers
 June 30, 2017
 (Unaudited)

Type of Business	Percentage of Total	Total
Motor Vehicles	12.89 %	
Grocery/Discount Retailer	2.73	
Grocery/Discount Retailer	1.76	
Grocery/Discount Retailer	1.72	
Grocery/Discount Retailer	1.52	
Building Materials	1.40	
Grocery/Discount Retailer	1.17	
Grocery/Discount Retailer	1.02	
Building Materials	0.96	
Grocery/Discount Retailer	0.73	
Grocery/Discount Retailer	0.66	
Building Materials	0.59	
Grocery/Discount Retailer	0.55	
Sporting Goods Retailer	0.52	
Grocery/Discount Retailer	0.52	
Grocery/Discount Retailer	0.51	
Electronics Retailer	0.47	
Grocery/Discount Retailer	0.46	
Grocery/Discount Retailer	0.46	
Building Materials	0.45	
Total - 20 Largest Taxpayers	31.09 %	\$ 30,007,974
Total - All Other Taxpayers	68.91 %	66,511,724
All Taxpayers	100.00 %	\$ 96,519,698

Source: St. Tammany Parish Sheriff's Office



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	General Obligation Bonds	Qualified School Construction Bonds	Community Disaster Loan	Capital Lease	Total Debt
2017	\$ 245,875,176	\$ 2,666,667	\$ -	\$ 1,253,088	\$ 249,794,931
2016	234,326,228	3,000,000	-	1,394,297	238,720,525
2015	241,790,000	3,333,334	-	-	245,123,334
2014	205,170,000	3,666,667	-	-	208,836,667
2013	204,540,000	4,000,000	65,766,016	-	274,306,016
2012	226,210,000	4,333,334	65,766,016	-	296,309,350
2011	244,625,000	4,666,667	65,766,016	-	315,057,683
2010	243,825,000	5,000,000	67,843,971	-	316,668,971
2009	236,920,000	-	67,843,971	-	304,763,971
2008	163,185,000	-	67,843,971	-	231,028,971

Note: Details regarding the School Board's outstanding debt can be found in the notes to the basic financial statements.

- (1) See the Schedule of Demographic Statistics, Table 16, for personal income and population data.
- (2) Information not available.

Table 11

(1) Percentage of Total Personal Income	(1) Total Debt Per Capita
(2)	\$ 985
1.67%	892
1.89%	997
1.71%	862
2.34%	1,146
2.63%	1,251
2.95%	1,343
3.09%	1,370
2.91%	1,329
2.29%	1,020

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	General Obligation Bonds	Revenue Bonds and Notes	Total Debt	Resources Restricted for Repayment of Debt	Net Debt
2017	\$ 245,875,176	\$ -	\$ 245,875,176	\$ 27,068,577	\$ 218,806,599
2016	234,326,228	-	234,326,228	23,828,983	210,497,245
2015	241,790,000	-	241,790,000	27,841,979	213,948,021
2014	205,170,000	-	205,170,000	22,508,737	182,661,263
2013	204,540,000	-	204,540,000	19,638,976	184,901,024
2012	226,210,000	-	226,210,000	16,394,662	209,815,338
2011	244,625,000	-	244,625,000	23,873,670	220,751,330
2010	243,825,000	-	243,825,000	22,595,295	221,229,705
2009	236,920,000	-	236,920,000	19,619,889	217,300,111
2008	163,185,000	-	163,185,000	11,906,700	151,278,300

Note: Details regarding the School Board's outstanding debt can be found in the notes to the basic financial statements.

- (1) See the Schedule of Demographic Statistics, Table 16, for personal income and population and student data.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 5, for assessed value data and actual value.

Table 12

(1)	(1)	(2)	(2)
Net Debt Per Capita	Net Debt Per Student	Percentage of Net Debt to Assessed Value	Percentage of Net Debt to Estimated Actual Value
\$ 863	\$ 5,657	8.84%	0.95%
768	4,994	9.01%	0.97%
870	5,602	9.39%	1.05%
782	4,981	8.25%	0.92%
772	4,875	8.52%	0.95%
886	5,594	10.10%	1.12%
941	5,948	10.65%	1.18%
957	6,071	11.23%	1.24%
948	6,057	11.09%	1.22%
668	4,257	9.89%	1.10%

**Computation of Legal Debt Margin
Last Ten Tax Years
(Unaudited)**

Year	Assessed Value (2)	Debt Limit of Thirty-Five Percent (35%) of Assessed Value (1)	Less: Total Bonded Debt (3)	Add: Amount Available for Repayment of Debt (3)	Legal Debt Margin	Legal Debt Margin as a % of the Debt Limit
<u>Parish of St. Tammany</u>						
2017	\$ 2,474,599,773	\$ 866,109,921	\$ 228,115,000	\$ 27,068,577	\$ 665,063,498	76.79%
2016	2,336,177,423	817,662,098	234,326,228	23,828,983	607,164,853	74.26%
2015	2,279,063,213	797,672,125	241,790,000	27,841,979	583,724,104	73.18%
2014	2,213,019,731	774,556,906	205,170,000	22,508,737	591,895,643	76.42%
2013	2,170,547,596	759,691,659	204,540,000	19,638,976	574,790,635	75.66%
2012	2,077,286,488	727,050,271	226,210,000	16,394,662	517,234,933	71.14%
2011	2,071,957,489	725,185,121	244,625,000	23,873,670	504,433,791	69.56%
2010	1,970,468,662	689,664,032	248,825,000	22,595,295	463,434,327	67.20%
2009	1,960,289,749	686,101,412	236,920,000	19,619,889	468,801,301	68.33%
2008	1,529,956,991	535,484,947	163,185,000	11,906,700	384,206,647	71.75%

Sources:

- (1) Legal debt limit of 35% is established by Louisiana Revised Statute Title 39, Section 562.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 5, for assessed value data.
- (3) Comprehensive Annual Financial Reports

**Computation of Direct and Overlapping Debt
June 30, 2017
(Unaudited)**

	Gross Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
<u>Direct Debt</u>			
St. Tammany Parish School Board	\$ 249,794,931	100.00%	\$ 249,794,931
<u>Overlapping Debt:</u>			
Town of Abita Springs	1,286,000	100.00%	1,286,000
City of Covington	6,646,000	100.00%	6,646,000
City of Mandeville	1,485,000	100.00%	1,485,000
Town of Pearl River	87,258	100.00%	87,258
City of Slidell	9,587,260	100.00%	9,587,260
Fire Protection Districts	13,858,867	100.00%	13,858,867
Gravity Drainage District No. 5	800,000	100.00%	800,000
Northshore Harbor Center	3,430,000	100.00%	3,430,000
Sub-Drainage Districts	224,000	100.00%	224,000
Recreation Districts	23,959,720	100.00%	23,959,720
Sewerage Districts	96,000	100.00%	96,000
Sheriff	21,424,930	100.00%	21,424,930
Hospital Service District No. 2	58,645,000	100.00%	58,645,000
Water District No. 2	1,573,000	100.00%	1,573,000
Water District No. 3	2,212,330	100.00%	2,212,330
Parish Council	72,795,462	100.00%	72,795,462
Total Overlapping Debt	<u>218,110,827</u>		<u>218,110,827</u>
Total Direct and Overlapping Debt	<u>\$ 467,905,758</u>		<u>\$ 467,905,758</u>

Source: Comprehensive Annual Report and most current financial statements for each governmental entity

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government. The percentage overlap is calculated by dividing the amount of the revenue base from which the debt will be repaid contained within the overlapping area by the total revenue base of the overlapping government.

**Pledged Revenue Coverage
 Last Ten Fiscal Years
 (Unaudited)**

Fiscal Year	Sales Tax Bonds				Coverage
	Sales Taxes	Debt Service			
		Principal	Interest		
2017	\$ 96,519,698	\$ -	\$ -	0.00	
2016	93,372,055	-	-	0.00	
2015	89,782,899	-	-	0.00	
2014	85,228,553	-	-	0.00	
2013	82,874,124	-	-	0.00	
2012	77,922,516	-	-	0.00	
2011	75,235,263	-	-	0.00	
2010	72,079,382	-	-	0.00	
2009	77,359,837	-	-	0.00	
2008	93,281,812	-	-	0.00	

Note: Details regarding the School Board's outstanding debt can be found in the notes to the basic financial statements.

**Demographic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population (1)	Total Personal Income (3)	Per Capita Personal Income (3)	Public School Enrollment (4)	Unemployment Rate (5)
2017	253,602	(2)	(2)	38,681	5.0
2016	250,504	\$ 14,312,286,152	\$ 57,229	38,439	5.3
2015	245,829	13,008,243,552	52,867	38,193	5.7
2014	242,333	12,196,135,224	50,328	38,044	5.1
2013	239,453	11,722,182,162	48,954	37,926	5.2
2012	236,785	11,249,181,780	47,508	37,508	5.7
2011	234,591	10,688,435,142	45,562	37,112	5.7
2010	231,224	10,241,142,184	44,291	36,441	5.3
2009	229,252	10,468,334,076	45,663	35,878	3.6
2008	226,394	10,099,662,734	44,611	35,534	2.8

Note: All information is parish wide.

Sources:

- (1) U.S. Department of Commerce, Bureau of Census, Midyear Estimates
- (2) Information is not available at this time.
- (3) Bureau of Economic Analysis
- (4) St. Tammany Parish School System - October 1 enrollment
- (5) U.S. Bureau of Labor Statistics

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

Table 17

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	Location	2017			2008		
		Employees	Rank	% of Total St. Tammany Parish Employment	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Parish Wide	5,620	1	5.08%	5,221	1	6.49%
St. Tammany Parish Hospital	Covington	2,036	2	1.84%	1,688	2	1.49%
Ochsner Health System	Parish Wide	1,352	3	1.22%			
Slidell Memorial Hospital	Slidell	1,325	4	1.20%	1,158	3	1.02%
St. Tammany Parish Government	Parish Wide	807	5	0.73%	513	7	0.45%
St. Tammany Parish Sheriff's Office	Parish Wide	775	6	0.70%	664	5	0.59%
Lakeview Regional Medical Center	Mandeville	745	7	0.67%	721	4	0.64%
Textron Systems Marine & Land	Slidell	427	8	0.39%			
City of Slidell	Slidell	389	9	0.35%	383	8	0.34%
Cross Gates Family Fitness	Slidell	350	10	0.32%			
Hornbeck Offshore Services Inc.	Covington						
Southeast Louisiana Hospital	Mandeville				517	6	0.46%
Northshore Regional Medical Center	Covington				427	7	0.38%
Gilsbar Inc.	Covington				309	9	0.27%
TOTAL - 10 LARGEST EMPLOYERS		<u>13,826</u>		<u>12.50%</u>	<u>11,601</u>		<u>12.13%</u>
TOTAL - ALL EMPLOYERS		<u>110,624</u>			<u>82,737</u>		

Note: Information listed is for St. Tammany Parish.

Sources:

2017 information: Book of Lists 2015, New Orleans City Business

2008 information: Book of Lists 2006, New Orleans City Business



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**General Fund Expenditures by Function
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
EXPENDITURES					
Current:					
Instruction:					
Regular Education Programs	\$ 161,498,322 40.5%	\$ 160,856,566 40.9%	\$ 153,080,158 40.8%	\$ 150,227,695 40.2%	\$ 139,221,054 39.0%
Special Education Programs	69,416,475 17.4%	66,852,638 17.0%	64,560,078 17.2%	65,058,237 17.4%	61,472,195 17.2%
Other Education Programs	17,279,735 4.3%	16,447,300 4.2%	15,022,276 4.0%	16,046,187 4.3%	16,916,287 4.7%
Support Services:					
Pupil Support	25,350,753 6.4%	24,483,384 6.2%	22,786,038 6.1%	22,450,802 6.0%	21,567,548 6.0%
Instructional Staff Support	9,839,094 2.5%	9,877,687 2.5%	9,768,790 2.6%	9,757,477 2.6%	9,681,273 2.7%
General Administration	7,810,955 2.0%	7,998,969 2.0%	7,767,484 2.1%	6,915,707 1.8%	6,752,193 1.9%
School Administration	23,765,632 6.0%	23,544,619 6.0%	23,124,874 6.2%	23,565,806 6.3%	22,823,310 6.4%
Business Administration	2,666,577 0.7%	2,559,738 0.7%	2,531,571 0.6%	2,326,710 0.6%	2,300,737 0.6%
Operation and Maintenance of Plant	37,158,025 9.3%	36,993,838 9.4%	35,906,072 9.6%	36,574,084 9.8%	35,805,731 10.0%
Pupil Transportation	32,528,734 8.1%	33,488,455 8.5%	31,655,905 8.4%	33,221,239 8.9%	32,810,682 9.2%
Central Services	9,494,261 2.4%	7,494,052 1.9%	6,996,124 1.8%	6,015,842 1.6%	5,978,237 1.7%
Food Service	- 0.0%	- 0.0%	- 0.0%	22,740 0.0%	21,810 0.0%
Community Service Programs	1,330,349 0.3%	1,389,944 0.4%	1,371,732 0.4%	1,282,471 0.3%	1,244,554 0.3%
Facility Acquisition and Construction	1,026,755 0.3%	1,104,479 0.3%	589,132 0.2%	597,756 0.2%	386,670 0.1%
Total	\$ 399,165,667	\$ 393,091,669	\$ 375,160,234	\$ 374,062,753	\$ 356,982,281
Pupil Count - October 1* (1)	38,681	38,439	38,193	38,044	37,926
Average Expenditures per Pupil	\$ 10,319	\$ 10,226	\$ 9,823	\$ 9,832	\$ 9,413

Source: Comprehensive Annual Financial Reports

(1) Source: Table 16

Table 18

Fiscal Year Ended June 30,				
2012	2011	2010	2009	2008
\$ 138,129,144	\$ 127,638,638	\$ 141,575,240	\$ 130,207,662	\$ 125,334,360
37.9%	36.4%	39.6%	38.5%	38.5%
62,475,444	72,393,596	66,511,757	63,837,725	60,639,649
17.1%	20.7%	18.6%	18.9%	18.6%
18,062,290	18,018,922	19,770,194	19,483,249	19,534,808
5.0%	5.1%	5.5%	5.8%	6.0%
22,768,533	16,247,433	15,317,509	13,034,102	12,517,677
6.2%	4.6%	4.3%	3.9%	3.8%
12,145,627	12,307,671	12,263,416	11,454,831	11,172,252
3.3%	3.5%	3.4%	3.4%	3.4%
6,664,466	6,371,730	5,771,159	5,310,519	5,468,199
1.8%	1.8%	1.6%	1.6%	1.7%
23,180,018	18,802,241	22,586,811	20,700,136	18,860,194
6.4%	5.4%	6.3%	6.1%	5.8%
2,570,734	2,742,932	2,785,891	2,439,653	2,394,116
0.7%	0.8%	0.8%	0.7%	0.7%
36,572,270	30,751,904	27,724,037	31,501,168	32,005,941
10.0%	8.8%	7.8%	9.3%	9.8%
33,620,868	32,764,770	30,878,619	29,398,044	27,577,394
9.2%	9.4%	8.6%	8.7%	8.5%
6,461,713	6,819,001	6,994,544	7,685,796	6,751,697
1.8%	1.9%	2.0%	2.3%	2.1%
26,041	3,705,046	4,643,040	2,824,364	3,000,253
0.0%	1.1%	1.3%	0.8%	0.9%
1,218,701	1,253,851	41,572	42,226	44,254
0.3%	0.4%	0.0%	0.0%	0.0%
453,760	499,088	550,933	498,371	550,755
0.1%	0.1%	0.2%	0.1%	0.2%
\$ 364,349,609	\$ 350,316,823	\$ 357,414,722	\$ 338,417,846	\$ 325,851,549
37,508	37,112	36,441	35,878	35,534
\$ 9,714	\$ 9,439	\$ 9,808	\$ 9,432	\$ 9,170

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**General Fund Expenditures by Function per Pupil
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
EXPENDITURES					
Current:					
Instruction:					
Regular Education Programs	\$ 4,176 40.5%	\$ 4,184 40.9%	\$ 4,008 40.8%	\$ 3,949 40.2%	\$ 3,671 39.0%
Special Education Programs	1,794 17.4%	1,739 17.0%	1,690 17.2%	1,710 17.4%	1,621 17.2%
Other Education Programs	447 4.3%	428 4.2%	393 4.0%	422 4.3%	446 4.7%
Support Services:					
Pupil Support	655 6.4%	637 6.2%	597 6.1%	590 6.0%	569 6.0%
Instructional Staff Support	254 2.5%	257 2.5%	256 2.6%	256 2.6%	255 2.7%
General Administration	202 2.0%	208 2.0%	203 2.1%	182 1.8%	178 1.9%
School Administration	614 6.0%	613 6.0%	605 6.2%	619 6.3%	602 6.4%
Business Administration	69 0.6%	67 0.6%	66 0.6%	61 0.6%	61 0.6%
Operation and Maintenance of Plant	960 9.3%	962 9.4%	940 9.6%	961 9.8%	944 10.0%
Pupil Transportation	841 8.1%	871 8.5%	829 8.4%	873 8.9%	865 9.2%
Central Services	245 2.3%	195 1.8%	183 1.8%	158 1.6%	158 1.7%
Food Service	- 0.0%	- 0.0%	- 0.0%	1 0.0%	1 0.0%
Community Service Programs	34 0.3%	36 0.4%	36 0.4%	34 0.3%	33 0.3%
Facility Acquisition and Construction	27 0.3%	29 0.3%	15 0.2%	16 0.2%	10 0.1%
Total	\$ 10,318	\$ 10,226	\$ 9,823	\$ 9,832	\$ 9,413
Pupil Count - October 1* (1)	38,691	38,439	38,193	38,044	37,926

Source: Comprehensive Annual Financial Reports

(1) Source: Table 16

Table 19

Fiscal Year Ended June 30,					
2012	2011	2010	2009	2008	
\$ 3,683	\$ 3,439	\$ 3,885	\$ 3,629	\$ 3,527	
37.9%	36.4%	39.6%	38.5%	38.5%	
1,666	1,951	1,825	1,779	1,707	
17.1%	20.7%	18.6%	18.9%	18.6%	
482	486	543	543	550	
5.0%	5.1%	5.5%	5.8%	6.0%	
607	438	420	363	352	
6.2%	4.6%	4.3%	3.9%	3.8%	
324	332	337	319	314	
3.3%	3.5%	3.4%	3.4%	3.4%	
178	172	158	148	154	
1.8%	1.8%	1.6%	1.6%	1.7%	
618	507	620	577	531	
6.4%	5.4%	6.3%	6.1%	5.8%	
69	74	76	68	67	
0.7%	0.8%	0.8%	0.7%	0.7%	
975	829	761	878	901	
10.0%	8.8%	7.8%	9.3%	9.8%	
896	883	847	819	776	
9.2%	9.4%	8.6%	8.7%	8.5%	
172	184	192	214	190	
1.8%	1.9%	2.0%	2.3%	2.1%	
1	100	127	79	84	
0.0%	1.1%	1.3%	0.8%	0.9%	
32	34	1	1	1	
0.3%	0.4%	0.0%	0.0%	0.0%	
12	13	15	14	15	
0.1%	0.1%	0.2%	0.1%	0.2%	
<u>\$ 9,714</u>	<u>\$ 9,439</u>	<u>\$ 9,808</u>	<u>\$ 9,432</u>	<u>\$ 9,170</u>	
37,508	37,112	36,441	35,878	35,534	

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Full-Time Equivalents (FTE) Employees
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2017	2016	2015	2014
<u>Regular Employees: CERTIFICATED</u>				
Instructional:				
Supervising Instructors	2	1	1	1
Classroom Teachers - Regular Education	1,850	1,819	1,810	1,783
Classroom Teachers - Special Education	634	621	607	595
Classroom Teachers - Vocational Education	59	61	61	60
Classroom Teachers - Other Instructional Programs	31	31	30	28
Classroom Teachers - Special Programs	86	89	86	63
Classroom Teachers - Adult/Continuing Ed Programs	-	-	-	-
Classroom Teachers - Community College Programs	-	-	-	15
<i>Total Classroom Teachers</i>	<u>2,662</u>	<u>2,622</u>	<u>2,595</u>	<u>2,545</u>
Therapist/Specialist/Counselor - Instructional Programs	-	-	-	-
Sabbatical Leave - Instructional Programs	1	4	4	-
<i>Total Certificated - Instructional Programs</i>	<u>2,663</u>	<u>2,626</u>	<u>2,599</u>	<u>2,545</u>
Instructional Support:				
Supervisors - Instructional Support Functions	35	35	35	33
Librarians/Media-Based Teachers/Staff Instructors - Instr Spt	44	56	55	54
Therapist/Specialist/Counselor - Instructional Support Functions	300	277	271	274
Sabbatical Leave - Instructional Support Functions	-	-	-	-
<i>Total Certificated - Instructional Support</i>	<u>379</u>	<u>368</u>	<u>361</u>	<u>361</u>
Support Services:				
Superintendents	1	1	1	1
Assistant/Associate/Deputy Superintendents	3	3	2	2
School Principals	55	56	55	56
School Assistant Principals	76	78	81	76
Other School Administrators	3	2	2	2
Sabbatical Leave - Support Services	-	-	-	-
<i>Total Certificated - Support Services</i>	<u>138</u>	<u>140</u>	<u>141</u>	<u>137</u>
Total Certificated	<u><u>3,180</u></u>	<u><u>3,134</u></u>	<u><u>3,101</u></u>	<u><u>3,043</u></u>

Source: Louisiana Department of Education Planning, Analysis, and Information Resources website

Table 20

Fiscal Year					
2013	2012	2011	2010	2009	2008
1	1	-	-	-	-
1,761	1,770	1,712	1,661	1,767	1,752
582	601	634	738	596	588
59	61	63	65	65	66
31	50	54	57	111	114
81	81	81	76	75	80
-	-	-	3	3	3
16	16	16	16	-	-
2,531	2,580	2,560	2,616	2,617	2,603
-	-	-	1	131	131
-	-	-	30	40	28
2,531	2,580	2,560	2,647	2,788	2,762
38	42	42	31	37	41
71	73	72	70	67	67
262	276	277	273	155	143
-	-	-	4	1	3
371	391	391	378	260	254
1	1	1	1	1	1
3	3	3	3	3	3
57	57	55	58	55	53
74	77	76	76	78	74
2	3	-	-	-	-
-	-	-	1	-	2
137	141	135	139	137	133
3,039	3,112	3,086	3,164	3,185	3,149

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Full-Time Equivalents (FTE) Employees (Continued)
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2017	2016	2015	2014
<u>Regular Employees: NON-CERTIFICATED</u>				
Instructional:				
Aide - Instructional Programs	671	633	613	574
<i>Total Non-Certificated - Instructional Programs</i>	671	633	613	574
Instructional Support:				
Clerical/Secretarial - Instructional Support Functions	36	36	34	36
Aide - Instructional Support Functions	16	17	18	21
Degreed Professional - Instructional Support Functions	30	29	29	27
Other Personnel - Instructional Support Functions	20	19	18	13
<i>Total Non-Certificated - Instructional Support</i>	102	101	99	97
Support Services:				
Supervisors/Managers/Administrators/Support Services	140	139	137	139
Clerical/Secretarial - Support Services	211	213	213	215
Aide - Support Services	121	117	120	122
Service Worker - Support Services	926	948	939	934
Skilled Craftsman - Support Services	96	95	89	81
Degreed Professional - Support Services	47	44	46	42
Other Personnel - Support Services	8	8	8	9
<i>Total Non-Certificated - Support Services</i>	1,549	1,564	1,552	1,542
Total Non-Certificated	2,322	2,298	2,264	2,213
Total Regular Employees (Certificated and Non-Certificated)	5,502	5,432	5,365	5,256
<u>Other Reported Personnel</u>				
School Board Members	15	15	15	15
<i>Total Other Reported Personnel</i>	15	15	15	15
Grand Total	5,517	5,447	5,380	5,271

Source: Louisiana Department of Education Planning, Analysis, and Information Resources website

Table 20

Fiscal Year					
2013	2012	2011	2010	2009	2008
539	560	547	541	534	537
539	560	547	541	534	537
36	38	50	53	55	56
20	23	26	35	34	37
29	31	21	20	19	20
16	16	25	30	18	18
101	108	122	138	126	131
138	141	145	148	143	129
212	215	206	216	208	200
121	118	107	107	111	104
946	941	918	945	919	945
88	98	103	109	93	89
50	57	58	58	53	39
9	10	7	4	23	24
1,564	1,580	1,544	1,587	1,550	1,530
2,204	2,248	2,213	2,266	2,210	2,198
5,243	5,360	5,299	5,430	5,395	5,347
15	15	15	15	15	15
15	15	15	15	15	15
5,258	5,375	5,314	5,445	5,410	5,362

Capital Asset Information
June 30, 2016
(Unaudited)

Elementary Schools

Schools	Year Opened	Square Footage	Enrollment
Abita Springs Elementary	1978	102,099	701
Abney Elementary	1964	109,416	864
Abney Elementary Early Childhood Center	2011	26,266	261
Alton Elementary	1957	46,871	200
Bayou Woods Elementary	1985	101,722	448
Bonne Ecole Elementary	1973	90,491	770
Brock Elementary	1930	49,031	309
Chahta-Ima Elementary	1952	52,455	314
Covington Elementary	1956	81,561	617
Cypress Cove Elementary	1994	101,061	699
Florida Avenue Elementary	1956	80,108	596
Folsom Elementary	1949	76,941	453
Honey Island Elementary	1987	79,100	659
Lancaster Elementary	2011	119,582	935
Little Pearl Elementary	2008	42,124	114
Lyon Elementary	1963	79,882	623
Madisonville Elementary	1956	84,509	941
Magnolia Trace Elementary	1999	87,825	391
Mandeville Elementary	1966	72,693	513
Marigny Elementary	2009	81,627	456
Mayfield Elementary	2012	106,309	825
Pontchartrain Elementary	1994	106,589	766
Riverside Elementary	1986	85,989	468
Sixth Ward Elementary	1949	97,262	351
Whispering Forest Elementary	1989	89,887	510
Woodlake Elementary	1962	72,210	608
Totals		2,123,610	14,392

Capital Asset Information (Continued)
 June 30, 2017
 (Unaudited)

Junior High/Middle Schools

Schools	Year Opened	Square Footage	Enrollment
Abita Springs Middle	1923	89,618	531
Bayou Lacombe Middle	1956	53,303	188
Boyet Junior High	1963	104,585	734
Carolyn Park Middle	1966	68,785	266
Clearwood Junior High	1978	95,061	642
Creekside Junior High	2002	105,799	507
Fifth Ward Junior High	1949	116,301	506
Folsom Junior High	1957	55,901	193
Fontainebleau Junior High	1996	134,666	942
Lake Harbor Middle School	2001	80,714	688
Lee Road Junior High	1964	108,603	792
Little Oak Middle	1980	111,456	1,080
Madisonville Junior High	1949	75,264	812
Mandeville Junior High	1956	97,072	615
Mandeville Middle	1985	79,677	654
Monteleone Junior High	2005	92,407	488
Pine View Middle	1965	88,474	649
Pitcher Junior High	1964	100,687	329
St. Tammany Junior High	1966	77,141	692
Slidell Junior High	1956	114,734	786
Tchefuncte Middle	1994	97,813	851
Totals		1,948,061	12,945

Capital Asset Information (Continued)
 June 30, 2017
 (Unaudited)

High Schools

Schools	Year Opened	Square Footage	Enrollment
Covington High	1973	218,184	1,555
Fontainebleau High	1994	285,690	1,701
Lakeshore High	2009	201,293	1,028
Mandeville High	1977	189,203	1,969
Northshore High	1982	204,181	1,597
Pearl River High	1967	130,794	757
Salmen High	2006	217,037	902
Slidell High	1949	217,455	1,610
Totals		1,663,837	11,119

Special Education

Schools	Year Opened	Square Footage	Enrollment
Harrison Center	1953	50,886	225
Totals		50,886	225

Source: Student enrollment is as of October 1, 2016, and was obtained from the Information Technology Department. Square footage was obtained from the Construction Department. Square footage does not include portable and temporary buildings being utilized.

**Percentage of Students in Free and Reduced Lunch Program
Last Ten Fiscal Years
(Unaudited)**

School Year	Free	Reduced	Total
2016-2017	36.21%	5.05%	41.26%
2015-2016	41.60%	5.51%	47.11%
2014-2015	39.07%	8.04%	47.11%
2013-2014	39.44%	8.32%	47.76%
2012-2013	39.04%	8.17%	47.21%
2011-2012	38.98%	8.06%	47.04%
2010-2011	38.40%	7.23%	45.63%
2009-2010	36.48%	8.31%	44.79%
2008-2009	35.01%	8.36%	43.37%
2007-2008	32.95%	7.68%	40.63%

Source: Louisiana Department of Education website

**History of High School Graduates
Last Ten Fiscal Years
(Unaudited)**

School Year	Total
2017	2,389
2016	2,416
2015	2,284
2014	2,242
2013	2,228
2012	2,156
2011	2,227
2010	2,173
2009	2,115
2008 ***	2,199

Source: St. Tammany Parish School Board Information Technology Department

*** Preliminary information only - does not include the dropout count.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

SINGLE AUDIT SECTION

**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

To the Members of the
St. Tammany Parish School Board
Covington, LA

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 2, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 School Board'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
December 2, 2017

**Report on Compliance for Each Major Federal Program; Report on
Internal Control Over Compliance; and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

To the Members of the
St. Tammany Parish School Board
Covington, LA

Report on Compliance for Each Major Federal Program

We have audited the St. Tammany Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the 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, 2017.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the School Board as of and for the year ended June 30, 2017 and have issued our report thereon dated December 2, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the School Board, the State of Louisiana, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
December 2, 2017



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass-Through Grantor Award Number	Expenditures
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Passed through the Louisiana Department of Education			
Child Nutrition Cluster			
Commodities Program	10.555	NONE	\$ 1,489,167
School Breakfast Program	10.553	NONE	2,426,970
National School Lunch Program	10.555	NONE	7,845,537
Summer Food Service Program	10.559	NONE	<u>55,228</u>
Total United States Department of Agriculture			<u>11,816,902</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Passed through the Louisiana Department of Education			
Title I Part A	84.010A	S010A160018	8,135,457
Title II Teacher and Principal Training	84.367A	S367A160017	1,548,564
Title III English Language Acquisition	84.365A	S354A160018	105,650
Title III English Immigrant Set Aside	84.365A	S365A160018	7,910
Title III English Immigrant Youth	84.365B	S365B150018	<u>5,685</u>
Total NCLB			<u>9,803,266</u>
Special Education Cluster			
Special Education - IDEA Part B	84.027A	H027A160033	11,352,248
Special Education - High Cost Services	84.027A	H027A16003316A	172,275
Special Education - IDEA Preschool	84.173A	H173A160082	298,080
EC Network Lead Agency	84.173	H173A160082	14,245
Class Pilot Enhancing Instruction for Special Learners	84.173A	NONE	40,000
Class Pilot Enhancing Instruction for Special Learners	84.173A	NONE	<u>55,000</u>
Total Special Education Cluster			<u>11,931,848</u>
Education for Homeless Children and Youth	84.196A	1S196A16019	91,456
21st Century Community Learning Centers	84.287C	S287C160018	359,771
Striving Readers Comprehensive Literacy Program	84.371C	S371C110045-12	1,044,845
Advanced Placement Test Fee Program	84.330B	S330B160021	3,496
Race to the Top	84.413A	B413A120002	<u>1,380</u>
Total Other Federal			<u>1,500,948</u>
Carl Perkins - Career and Technical Education	84.048	V048A150018A	395,479
Carl Perkins - Micro Enterprise Credential Resource	84.048A	NONE	<u>3,836</u>
Total Carl Perkins			<u>399,315</u>
Total United States Department of Education			<u>23,635,377</u>

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass-Through Grantor Award Number	Expenditures
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through the Louisiana Department of Education			
TANF - LA 4 Early Childhood	93.558B	NONE	2,359,985
TANF - Jobs for America's Graduates	93.558	G-1005LATANF	150,000
Class Pilot Enhancing Instruction for Special Learners	93.575	NONE	45,000
Early Childhood Community Network Pilots - CCDF	93.575	NONE	<u>58,275</u>
Total United States Department of Health and Human Services			<u>2,613,260</u>
<u>UNITED STATES DEPARTMENT OF DEFENSE</u>			
Direct Aid			
Army - JROTC	12.998	NONE	220,812
Marines - JROTC	12.998	NONE	48,102
Navy - JROTC	12.998	NONE	<u>230,577</u>
Total United States Department of Defense			<u>499,491</u>
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through the Louisiana Office of Community Development			
Community Development Block Grant	14.228	671-859	<u>170,518</u>
Total United States Department of Housing and Urban Development			<u>170,518</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 38,735,548</u></u>

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

Note 1. General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the St. Tammany Parish School Board (the School Board). The School Board reporting entity is defined in the notes to the financial statements for the year ended June 30, 2017. All federal awards received directly from federal agencies are included on the schedule as well as federal awards passed through other government agencies. The following programs are considered major federal programs of the School Board for single audit purposes:

Title I Part A (CFDA 84.010A)
Title II Teacher and Principal Training (CFDA 84.367A)
Striving Readers Comprehensive Literacy Program (CFDA 84.371C)
Temporary Assistance for Needy Families (CFDA 93.558)

Note 2. Basis of Accounting

The schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in the notes to the School Board's basic financial statements for the year ended June 30, 2017. Commodities received, which are non-cash revenue, are valued at prices provided by the U.S. Department of Agriculture. Any received but unused commodities are recorded as deferred revenue until used.

Note 3. Relationship to General Purpose Financial Statements

Federal award revenues are reported in the School Board's financial statements as follows:

General Fund	\$ 499,491
Special Revenue Funds	<u>38,236,057</u>
Subtotal Federal Sources	38,735,548
Carryover Expenditures	<u>-</u>
Total Reported on Schedule of Expenditures of Federal Awards	<u><u>\$ 38,735,548</u></u>

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017**

Note 4. Relationship to Federal Financial Reports

Amounts reported in the schedule of expenditures of federal awards agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to June 30, 2017, which will differ from the schedule by the amount of receivables as of June 30, 2017, liquidated to the dates of the reports.

Note 5. De Minimis Cost Rate

The St. Tammany Parish School Board uses an indirect cost rate negotiated and approved by the Louisiana Department of Education, and has not elected to use the 10% de minimis indirect cost rate as provided for in section 200.414 of the Uniform Guidance.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

Section 1

Financial Statements

1.	Type of auditor's report	Unmodified
2.	Internal control over financial reporting	
	a. Material weaknesses identified	None
	b. Significant deficiencies identified not considered to be material weaknesses	None
	c. Noncompliance material to the financial statements noted	None

Federal Awards

1.	Internal control over major programs	
	a. Material weaknesses identified	None
	b. Significant deficiencies identified not considered to be material weaknesses	None
2.	Type of auditor's report issued on compliance for each major program	Unmodified
3.	Audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)	None
4.	Identification of major programs	
	Title I Part A (CFDA 84.010A)	
	Title II Teacher and Principal Training (CFDA 84.367A)	
	Striving Readers Comprehensive Literacy Program (CFDA 84.371C)	
	Temporary Assistance for Needy Families (CFDA 93.558)	
5.	Dollar threshold used to distinguish between Type A and B programs	\$1,162,066
6.	Auditee qualified as a low-risk auditee under Section 2 CFR 200.520	Yes

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017**

Section 2

Financial Statement Findings

None

Federal Awards Findings and Questioned Costs

None

Other Matter

2017-001 Self-Reported Misappropriation of Funds

In accordance with Louisiana Revised Statute 24:523, St. Tammany Parish School Board reported to the Louisiana Legislative Auditor and the St. Tammany Parish District Attorney an instance of misappropriation of funds totaling \$1,119.84 by a school employee that the School Board identified during the fiscal year. The School Board initiated an internal investigation. The employee reimbursed the School Board and resigned as a result of the internal investigation.

**ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017**

Financial Statement Findings

None

Federal Awards Findings and Questioned Costs

None

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Agreed-Upon Procedures
R.S. 24:514 - Performance and Statistical Data

June 30, 2017



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the St. Tammany Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Tammany Parish School Board (the School Board), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of St. Tammany Parish School Board for the fiscal year ended June 30, 2017, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of St. Tammany Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a 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
 - Nonpublic Transportation Revenue

No differences were 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 the School Board's supporting payroll records as of October 1.

No differences were 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 were noted.

4. We obtained a list of full time teachers, principals, and assistant principals by classification as of October 1 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 were 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 I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences were 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 1 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 were 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 retiree status as well as full time equivalents 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 were noted.

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

No differences were noted.

Class Size Characteristics (Schedule 6)

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

No differences were noted.

Louisiana Educational Assessment Program (LEAP) - ELA & Math (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 on the schedule by St. Tammany Parish School Board.

No differences were noted.

Graduation Exit Examination (GEE) (Schedule 8)

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

LEAP Tests - Science & Social Studies (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 St. Tammany Parish School Board.

No differences were noted.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the St. Tammany Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
December 2, 2017

ST. TAMMANY PARISH SCHOOL BOARD
Schedules Required by State Law
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2017

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1 - 20, 21 - 26, 27 - 33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP) - ELA & Math

This schedule represents student performance testing data and includes summary scores by district for grades 3, 4, 5, 6, 7, and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Examination (GEE)

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

ST. TAMMANY PARISH SCHOOL BOARD
Schedules Required by State Law (Continued)
(R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2017

Schedule 9 - LEAP Tests - Science & Social Studies

This schedule represents student performance testing data and includes a summary score for grades 3, 4, 5, 6, 7, and 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

ST. TAMMANY PARISH SCHOOL BOARD
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2017

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 139,325,458	
Other Instructional Staff Activities	16,142,251	
Instructional Staff Employee Benefits	88,551,998	
Purchased Professional and Technical Services	164,228	
Instructional Materials and Supplies	3,163,949	
Instructional Equipment	63,760	
Total Teacher and Student Interaction Activities		\$ 247,411,644

Other Instructional Activities 782,888

Pupil Support Activities	25,350,753	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		25,350,753

Instructional Staff Services	9,839,094	
Less: Equipment for Instructional Staff Services	(21,990)	
Net Instructional Staff Services		9,817,104

School Administration	23,765,632	
Less: Equipment for School Administration	(99,392)	
Net School Administration		23,666,240

Total General Fund Instructional Expenditures \$ 307,028,629

Total General Fund Equipment Expenditures \$ 427,699

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 7,062,010	
Renewable Ad Valorem Taxes	86,794,634	
Debt Service Ad Valorem Taxes	34,607,995	
Up to 1% Collections by the Sheriff on Taxes Other Than School Taxes	2,781,636	
Penalties/Interest on Ad Valorem Taxes	114,387	
Sales and Use Taxes - Gross	96,514,818	
Penalties and Interest on Sales and Use Taxes	4,879	
Total Local Taxation Revenue		\$ 227,880,359

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Taxes	\$ 147,385	
Revenue Sharing - Other Taxes	1,811,196	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		\$ 1,958,581

Nonpublic Textbook Revenue \$ 191,886

Nonpublic Transportation Revenue \$ -

ST. TAMMANY PARISH SCHOOL BOARD
Education Levels of Public School Staff
As of October 1, 2016

Schedule 2

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	2	0%	2	15%	0	0%	0	0%
Bachelor's Degree	1688	62%	7	54%	0	0%	0	0%
Master's Degree	857	32%	4	31%	72	54%	0	0%
Master's Degree +30	146	5%	0	0%	47	35%	0	0%
Specialist in Education	10	0%	0	0%	5	4%	0	0%
Ph. D. or Ed. D.	17	1%	0	0%	9	7%	0	0%
Total	2,720	100%	13	100%	133	100%	0	0%

ST. TAMMANY PARISH SCHOOL BOARD
Number and Type of Public Schools
For the Year Ended June 30, 2017

Schedule 3

Type	Number
Elementary	36
Middle/Jr. High	11
Secondary	8
Combination	0
Total	55

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

ST. TAMMANY PARISH SCHOOL BOARD
Experience of Public Principals, Assistant Principals,
and Full Time Classroom Teachers
As of October 1, 2016

Schedule 4

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	7	11	24	16	20	78
Principals	0	0	3	4	7	14	27	55
Classroom Teachers	174	230	678	407	454	360	430	2,733
Total	174	230	688	422	485	390	477	2,866

ST. TAMMANY PARISH SCHOOL BOARD
Public School Staff Data: Average Salaries
For the Year Ended June 30, 2017

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$53,808	\$53,571
Average Classroom Teachers Salary Excluding Extra Compensation	\$53,011	\$52,788
Number of Teacher Full Time Equivalent (FTEs) Used in Computation of Average Salaries	2,660	2,623

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 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.

ST. TAMMANY PARISH SCHOOL BOARD
Class Size Characteristics
As of October 1, 2016

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	60%	3,683	33%	2,049	7%	459	0%	6
Elementary Activity Classes	33%	148	44%	193	21%	91	2%	11
Middle/Jr. High	63%	1,779	28%	776	9%	262	0%	0
Middle/Jr. High Activity Classes	60%	303	19%	95	14%	71	7%	38
High	61%	5,421	26%	2,292	12%	1,043	1%	54
High Activity Classes	72%	689	12%	114	9%	84	7%	66
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

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 the 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.

ST. TAMMANY PARISH SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP) -
ELA & Math
For the Year Ended June 30, 2017

Schedule 7

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	10%	5%	5%	12%	14%	11%
Mastery	52%	47%	51%	47%	47%	44%
Basic	21%	24%	24%	23%	23%	27%
Approaching Basic	11%	15%	12%	12%	11%	13%
Unsatisfactory	6%	9%	8%	6%	5%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	11%	10%	6%	6%	11%	3%
Mastery	45%	46%	48%	45%	48%	43%
Basic	28%	26%	30%	30%	26%	30%
Approaching Basic	12%	14%	12%	15%	12%	18%
Unsatisfactory	4%	4%	4%	4%	3%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	5%	5%	2%	5%	9%	5%
Mastery	48%	45%	44%	36%	35%	33%
Basic	30%	31%	33%	33%	30%	32%
Approaching Basic	12%	14%	17%	20%	19%	23%
Unsatisfactory	5%	5%	4%	6%	7%	6%
Total	100%	100%	100%	100%	100%	100%

ST. TAMMANY PARISH SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP) -
ELA and Math (Continued)
For the Year Ended June 30, 2017

Schedule 7

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	9%	9%	6%	7%	8%	6%
Mastery	39%	44%	48%	32%	35%	33%
Basic	28%	32%	32%	30%	32%	31%
Approaching Basic	19%	11%	11%	24%	20%	24%
Unsatisfactory	5%	4%	4%	7%	5%	5%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	16%	18%	10%	3%	5%	4%
Mastery	36%	38%	39%	28%	30%	31%
Basic	26%	26%	29%	37%	35%	37%
Approaching Basic	14%	13%	15%	24%	24%	20%
Unsatisfactory	8%	5%	7%	8%	6%	8%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	13%	11%	7%	1%	2%	6%
Mastery	40%	50%	46%	29%	33%	36%
Basic	26%	25%	28%	29%	28%	24%
Approaching Basic	14%	11%	13%	26%	25%	21%
Unsatisfactory	7%	3%	6%	15%	12%	13%
Total	100%	100%	100%	100%	100%	100%

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

ST. TAMMANY PARISH SCHOOL BOARD
LEAP Tests - Science & Social Studies
For the Year Ended June 30, 2017

Schedule 9

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	9%	8%	9%	10%	N/A	2%
Mastery	29%	28%	30%	25%	N/A	26%
Basic	44%	46%	43%	29%	N/A	54%
Approaching Basic	13%	14%	13%	23%	N/A	12%
Unsatisfactory	5%	4%	5%	13%	N/A	6%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	5%	7%	6%	5%	N/A	3%
Mastery	22%	24%	23%	27%	N/A	21%
Basic	52%	50%	51%	30%	N/A	55%
Approaching Basic	17%	15%	15%	24%	N/A	14%
Unsatisfactory	4%	4%	4%	14%	N/A	7%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	6%	5%	5%	4%	N/A	7%
Mastery	25%	22%	21%	22%	N/A	19%
Basic	46%	48%	48%	29%	N/A	49%
Approaching Basic	16%	17%	18%	25%	N/A	16%
Unsatisfactory	7%	8%	8%	20%	N/A	9%
Total	100%	100%	100%	100%	N/A	100%

In 2016, a Social Studies field test was administered in place of the operational Social Studies test, thus Social Studies scores are not included for fiscal year 2016.

ST. TAMMANY PARISH SCHOOL BOARD
LEAP Tests - Science & Social Studies (Continued)
For the Year Ended June 30, 2017

Schedule 9

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	9%	8%	8%	13%	N/A	16%
Mastery	27%	26%	26%	21%	N/A	21%
Basic	42%	44%	44%	28%	N/A	43%
Approaching Basic	16%	16%	16%	24%	N/A	14%
Unsatisfactory	6%	6%	6%	14%	N/A	6%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	9%	10%	9%	15%	N/A	11%
Mastery	31%	32%	31%	27%	N/A	25%
Basic	35%	36%	37%	25%	N/A	42%
Approaching Basic	16%	15%	15%	15%	N/A	15%
Unsatisfactory	9%	7%	8%	18%	N/A	7%
Total	100%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	4%	5%	4%	16%	N/A	3%
Mastery	28%	25%	24%	34%	N/A	21%
Basic	44%	44%	43%	26%	N/A	49%
Approaching Basic	17%	19%	20%	15%	N/A	17%
Unsatisfactory	7%	7%	9%	9%	N/A	10%
Total	100%	100%	100%	100%	N/A	100%

In 2016, a Social Studies field test was administered in place of the operational Social Studies test, thus Social Studies scores are not included for fiscal year 2016.