

DeSoto Parish School Board

Mansfield, Louisiana



Comprehensive Annual Financial Report

for the year ended June 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

JAN 29 2014

This Comprehensive Annual Financial Report (CAFR) was published by the DeSoto Parish School Board, 201 Crosby Street, Mansfield, LA 71052.

The CAFR was assembled, audited, and printed in compliance with Louisiana Revised Statute 24:514 and was distributed to the elected school board members of DeSoto Parish, the Louisiana State Department of Education, and the Louisiana Legislative Auditor.

Anyone interested in reviewing this document or any prior year sworn annual financial statement can go to http://www.desotopsb.com/cms/page_view?d=x&piid=&vpid=1280193922470, or they can contact the Director of Business Services; DeSoto Parish School Board; 201 Crosby Street; Mansfield, LA 71052.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

For the Year Ended June 30, 2013

Mr. L.J. Mayweather, Jr.
President

Dr. Preston Cade Brumley
Superintendent

Mr. Steven Stanfield
Director of Business Services

Prepared by the Business Department

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Table of Contents

INTRODUCTORY SECTION		<u>Page(s)</u>
Transmittal Letter		11-18
GFOA Certificate of Achievement for Excellence in Financial Reporting		19
ASBO Certificate of Excellence in Financial Reporting		20
Organizational Chart		21
Elected School Board Members		22
Selected Administrative Officials		23
 FINANCIAL SECTION	 <u>Statement</u>	 <u>Page(s)</u>
Independent Auditor's Report		27-29
Required Supplemental Information		30
Management's Discussion and Analysis (MD&A)		31-48
Basic Financial Statements		
Government-wide Financial Statements (GWFS)		49
• Statement of Net Position	A	50
• Statement of Activities	B	51
Fund Financial Statements (FFS)		
• Governmental Funds		52
▪ Balance Sheet	C	54-55
▪ Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	56
▪ Statement of Revenues, Expenditures, and Changes in Fund Balances	E	58-61
▪ Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	62
• Proprietary Funds		
▪ Statement of Net Position	G	63
▪ Statement of Revenues, Expenses, and Changes in Fund Net Position	H	64
▪ Statement of Cash Flows	I	65
• Fiduciary Funds		
▪ Statement of Net Position	J	66
▪ Statement of Changes in Net Position	K	67

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Table of Contents, Continued

Notes to the Basic Financial Statements		
▪ Index		68
▪ Notes		69-91
Required Supplemental Information	<u>Exhibit</u>	<u>Page(s)</u>
Schedule of Funding Progress For Other Post-Employment Benefit Plan		93
Schedule of Employer Contributions For Other Post-Employment Benefit Plan		94
Budgetary Comparison Schedule		95
▪ General Fund	1-1	96-97
▪ Notes to Budgetary Comparison Schedules		98
Supplementary Information	<u>Exhibit</u>	<u>Page(s)</u>
▪ Combining Nonmajor Governmental Funds – By Fund Type		100
▪ Combining Balance Sheet – By Fund Type	2	101
▪ Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type	3	102-103
• NONMAJOR SPECIAL REVENUE FUNDS		105
▪ Combining Balance Sheet	4	106-108
▪ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	110-115
▪ Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual		
♦ Educational Consolidation & Improvement Act - Title I	6-1	116
♦ Improving Teacher Quality - Title II	6-2	117
♦ Literacy Challenge - Title III	6-3	118
♦ Maintenance Tax	6-4	119
♦ Special Education	6-5	120
♦ Race to the Top	6-6	121
♦ Teacher Incentive	6-7	122
♦ Jobs for America's Graduates	6-8	123
♦ School Food Service	6-9	124
♦ Carl Perkins	6-10	125
♦ Instructional Enhancement Program	6-11	126
♦ Early Childhood Development	6-12	127
♦ School Improvement	6-13	128

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Table of Contents, Continued

• NONMAJOR DEBT SERVICE FUNDS		
▪ Combining Balance Sheet	7	130-131
▪ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	8	132-133
• NONMAJOR CAPITAL PROJECT FUNDS		
▪ Combining Balance Sheet	9	135
▪ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	10	136
• INTERNAL SERVICE FUNDS		
▪ Combining Statement of Net Position	11	138
▪ Combining Statement of Revenue, Expenses, and Changes in Fund Net Position	12	139
▪ Combining Statement of Cash Flows	13	140
• AGENCY FUNDS		
▪ Statement of Changes in Assets and Liabilities	14	142
▪ Statement of Changes in Deposits Due Others	15	143
• CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS		
▪ Schedule by Sources	16	145
▪ Schedule by Function and Activity	17	146
▪ Schedule of Changes in Capital Assets by Function and Activity	18	147
• GENERAL		
▪ Schedule of Compensation Paid to Board Members	19	148

STATISTICAL SECTION

	<u>Table</u>	<u>Page(s)</u>
Contents		151-152
Net Assets/Position by Component	1	153
Changes in Net Assets/Position	2	154
Fund Balances of Governmental Funds	3	155
Changes in Fund Balances of Governmental Funds	4	156
Assessed Value and Estimated Actual Value of Taxable Property	5	157
Overlapping Governments	6	158
Principal Property Taxpayers	7	159
Property Tax Levies and Collections	8	160
Sales and Use Tax Rates and Collections- All Governments	9	161

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Table of Contents, Continued

Ratios of Outstanding Debt by Type	10	162
Ratios of General Bonded Debt Outstanding	11	163
Direct and Overlapping Governmental Activities Debt	12	164
Legal Debt Margin Information	13	165
Demographic and Economic Statistics	14	166
Principal Employers	15	167
School Building Information	16	168
School Personnel	17	169
Operating Statistics	18	170
Schedule of Insurance in Force	19	171

INTRODUCTORY SECTION



DeSoto Parish School Board

201 Crosby Street - Mansfield, Louisiana 71052 - (318) 872-2836 - FAX (318) 872-1324



December 14, 2013

RE: Financial Statement Transmittal Letter
for the Fiscal Year Ended June 30, 2013

To the Elected School Board Members and
Citizens of DeSoto Parish:

Louisiana law requires that an annual sworn financial statement be furnished to the Legislative Auditor within six months of the close of each fiscal year in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the DeSoto Parish School Board for the year ended June 30, 2013.

The DeSoto Parish School Board's CAFR has three basic sections:

- The *Introductory Section* provides general information on the DeSoto Parish School Board's structure and personnel as well as information useful in assessing the Board's financial condition.
- The *Financial Section* contains the basic financial statements and required supplementary information (including management's discussion and analysis), as well as, the independent auditor's report. In addition, the financial section provides information on each individual fund and component unit for which data is not provided separately within the basic financial statements. The financial section also includes supplementary information useful to financial statement users.
- The *Statistical Section* provides a broad range of trend data covering key financial indicators from the past 10 fiscal years (for instance, general government revenues and expenditures, property tax collections, debt burden). It also contains demographic and miscellaneous data useful in assessing the Board's financial condition.

Management's Representations & Internal Control Framework

This report consists of management's representations concerning the finances of the DeSoto Parish School Board. Consequently, the Superintendent and the Director of Business Services assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework designed both to protect the School Board's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the DeSoto Parish School Board's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the DeSoto Parish School Board's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

Independent Auditor's Review of Financial Statements

The DeSoto Parish School Board's financial statements have been audited by Allen, Green & Williamson, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the DeSoto Parish School Board for the fiscal year ended June 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the DeSoto Parish School Board's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the DeSoto Parish School Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the DeSoto Parish School Board's separately issued Single Audit Report.

Management's Discussion & Analysis (MD&A)

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A also complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DESOTO PARISH SCHOOL BOARD

The DeSoto Parish School Board is an independent district created by Louisiana Revised Statute (LSA-R S) 17:51 to provide public education for the children within DeSoto Parish. The School Board is fiscally independent by LSA-R S 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 11 members who are elected from 11 districts for terms of four years.

The School Board operated 11 school campuses within the parish, employs more than 850 teachers and other school workers, and has a total enrollment exceeding 5,200 pupils. In conjunction with the regular K-12 educational programs, some of these schools offer early childhood (4-year old), special education, and vocational education programs. The School Board also provides services for expelled students, home bound students, transportation to and from school, and meals for breakfast and lunch.

Mission Statement

The mission of the DeSoto Parish School Board is

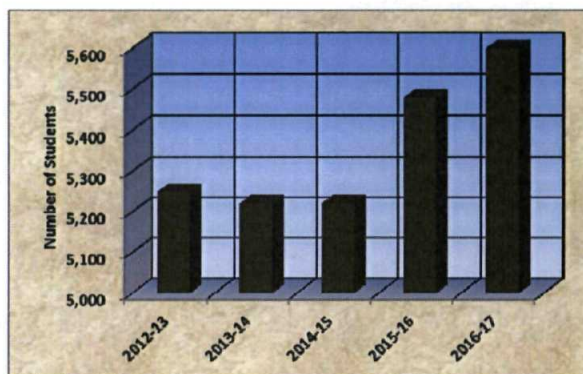
- DeSoto serves to care for our students, ensure their learning, and celebrate their graduation as citizens prepared to transform their dreams into realities.

To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

Projected Student Enrollment

Student enrollment reached 5,249 in FY 2012-13 which is the 4th consecutive year of student growth. The Director of Student Services is forecasting that this growth will drop slightly next year but before it starts growing again to exceed 5,500 as shown in the chart to the right.

Enrollment trends for the past 5 years shows student membership as a percent of total membership has been shifting from Logansport, Mansfield, and Pelican to the north end of the parish. In fact, North DeSoto schools have grown 17.4% while the other school districts collectively have lost 269 students (see chart below).



<u>Attendance Districts</u>	<u>Number of Students</u>		<u>Change</u>	
	<u>FY 2008-09</u>	<u>FY 2012-13</u>	<u>Students</u>	<u>Percent</u>
District 1 - Logansport	755	688	(67)	-8.9%
District 2 - North DeSoto	1,902	2,363	461	24.2%
District No. 3 - Stanley	381	390	9	2.4%
District No. 4 - Mansfield	1,673	1,627	(46)	-2.7%
District No. 5 - Pelican	175	181	6	3.4%
Total	<u>4,886</u>	<u>5,249</u>	<u>363</u>	<u>7.4%</u>

The growth in North DeSoto is due to its proximity to Shreveport. Several developers have been purchasing land and building new subdivisions in and around Stonewall, Louisiana. This is causing a number of families to relocate from other parts of the parish as well as from Caddo Parish.

Age of School Buildings

The DeSoto Parish School Board has several school buildings and non-instructional buildings that were constructed or purchased with Capital Projects Funds. The method of financing for these capital expenditures occurred by (a) borrowing monies after tax propositions were approved by the public, or (b) by saving money over a period of years. Therefore, the decision to add a public facility or to make extensive repairs is based on the understanding of needs of the students, teachers, parents, and taxpayers of the community.

To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

A listing of the buildings owned by the DeSoto Parish School Board is shown below:

Listing of Instructional Sites								
	Date Constructed	School District	Grades Taught	Capacity Sq. Ft.	Acreage	No. of Rated Classrooms	Student Capacity	
High Schools								
DeSoto Alternative	1998	#4	9-12	19,507	4.20	10	130	
Logansport	1992	#1	PreK-12	124,197	53.47	64	990	
Mansfield	2009	#4	9-12	137,472	27.34	44	690	
North DeSoto	1982	#2	9-12	146,092	37.57	45	720	
Stanley	1991	#3	PreK-12	66,320	40.00	30	500	
Middle Schools								
Mansfield	1994	#4	PreK-8	216,878	140.30	110	1,800	
North DeSoto	2007	#2	6-8	75,178	41.56	30	900	
Elementary Schools								
North DeSoto - PreK-2	1988	#2	PreK-2	65,782	53.26	43	720	
North DeSoto 3-5	1994	#2	3-5	70,078	15.00	32	650	
Total Instructional Sites				<u>921,504</u>	<u>412.70</u>	<u>408</u>	<u>7,100</u>	
Listing of Non-Instructional Sites								
	Date Constructed	Number of Buildings	Capacity Sq. Ft.	Acreage	No. of Rated Rooms			
Central Office	1956	1	5,287	1.13	16			
Central Office Warehouse	1956	1	4,000	0.30	4			
Instructional Materials Center	1969	1	14,950	3.36	18			
Maintenance Facility	2009	2	19,734	1.74	10			
Media Center Warehouse	1981	1	9,200	0.25	2			
Special Services Building	1981	1	10,020	1.15	16			
Testing & Adult Ed.	1975	1	7,200	0.50	3			
Transportation/Food Service	2010	2	<u>14,592</u>	<u>9.00</u>	<u>18</u>			
Total Non-Instructional Sites			<u>84,983</u>	<u>17.43</u>	<u>87</u>			

NOTE: Not shown in the chart above is Pelican All-Saints High School which was originally built in 1954 and renovated in 1992. This school closed its doors in May 2013. Students from School District No. 5, known as the Pelican district, will begin attend schools in Mansfield in FY 2013-14.

To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

Budget Overview

The Annual Operating Budget serves as the foundation for the DeSoto Parish School Board's financial planning and control. All administrators are required to submit requests for appropriation to the Director of Business Services on or before February 20th of each year. Compilation of the budget is completed by the Business Office and sent to the Superintendent for review and/or alterations by March 20th of each year. The final draft of the proposed Annual Operating Budget is presented by the Superintendent to the School Board at its regular meeting in May of each year. This gives the Board Members at least 30 days to review the budget before it is voted in an open meeting.

Before the budget is voted on by the School Board, the Budget/Finance Committee reviews the budget. The Board is also required by Louisiana law to hold at least one public hearing prior to its adoption, to publish a notice in the newspaper of the upcoming public hearing, and to make available to the public a copy of the proposed budget at least 15 days prior to the public hearing. The public hearing and the vote by the elected School Board Members on the Annual Operating Budget is held on the first Thursday in June of every year.

The approved Annual Operating Budget presents revenues by source and expenditures by function as defined by the Louisiana Board of Elementary and Secondary Education's Bulletin #1929. The Superintendent is authorized to transfer amounts between line items within a fund in accordance with proper accounting procedure without approval by the Board. However, budget amendments are required when total revenues drop 5% or more below expectations, total expenditures exceed budget estimates by 5% or more, and when beginning fund balance is less than 5% or more of its projected amount.

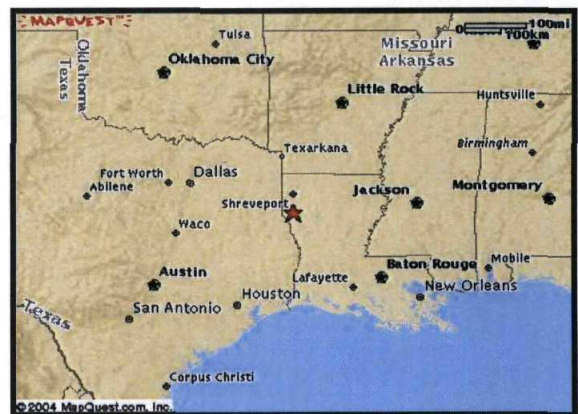
Budget-to-actual comparisons are provided in this report for the General Fund and each individual Special Revenue Fund.

ECONOMIC CONDITION OF DESOTO PARISH, LOUISIANA

Local Economy

DeSoto Parish is located in the northwest corner of Louisiana. It has a land area of 879 square miles and is approximately 43 miles in length and 39 miles in width. Interstate 49 runs north and south through the parish and the northern boundary of DeSoto Parish is approximately 10 miles south of Shreveport, the largest metropolitan area of the region. The parish's economy is balanced among agriculture, mining, timber, oil & gas exploration, and manufacturing.

In February 2008, word about a natural gas reservoir to rival all others in the nation became known to the citizens of DeSoto Parish. A month later, Chesapeake Energy Corporation went public with its claim of discovering the Haynesville Shale which has improved the economic conditions since that time.



In article dated May 26, 2010, *The Times* reported that the investment into the local economy has spared Northwest Louisiana from the worst effects of the national slowdown. In the second year study of the oil & gas industry in the Haynesville Shale area seven firms have "pumped an amazing \$7 billion into the state's economy" in just one year and "providing almost 60,000 new jobs." Major companies investing in the Haynesville Shale are Chesapeake Energy Corporation, EXCO, XTO Energy, Devon Energy, EnCana Energy, Shell Exploration & Production Company, and Petrohawk Energy Corporation.

To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

March 2013 marked the 5th anniversary since the Haynesville Shale was made public in DeSoto Parish. The Times reports in March 11, 2012 story that oil and gas companies operating in the Haynesville Shale have announced significant cutbacks in drilling as the low price of natural gas has them in search of more lucrative oil or liquids-rich plays.

As of May 2013, the Haynesville Shale rig count is down to 22 rigs from its peak of 139 in 2010. Louisiana has 14 rigs while Texas has eight rigs.

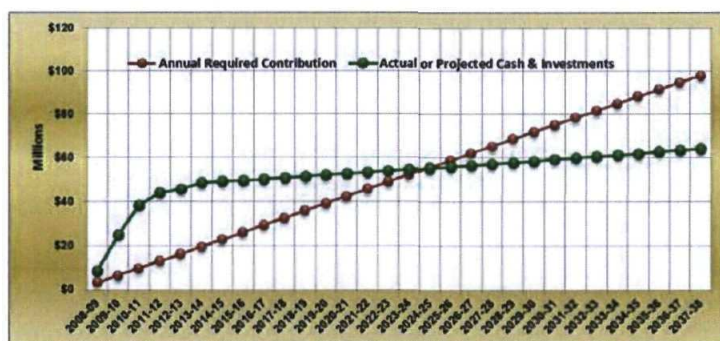
The website <http://dnr.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=929> shows a breakdown of the rig count by operator and parish as follows:

<u>Operator Rig Totals</u>		<u>Parish Rig Totals</u>	
EnCana	4	DeSoto	6
EXCO Resources	2	Red River	5
Petrohawk	3	Bossier	1
Chesapeake	2	Caddo	<u>1</u>
Comstock	1		
SWEPI LP	<u>1</u>		
	1		
Rig Count	3	Rig Count	13

Long-term Financial Planning

Annual Other Post Employee Benefits (OPEB) Cost and Liability – The Annual Required Contribution (ARC) to pay for the actuarial accrued Other Post Employee Benefits (OPEB) liability has been funded every year since FY 2008-09 and was placed in an irrevocable trust fund that was approved by the Board on June 4, 2009. The Governmental Accounting Standards Board (GASB) – Statement No. 45 requires full recognition of the OPEB liability by 2037-38. Because this Actuarial Accrued Liability (AAL) stands at \$98.0 million at June 30, 2013, funding the ARC will continue to be difficult and challenging.

As of June 30, 2013, the funded ratio of the AAL stands at 46.5% while the actuarial value of the OPEB plan assets are \$45.5 million. If no additional monies are added and if the present investment earnings are used, it is anticipated the funding ratio would reach 65.6% by 2037-38 as shown in the graph below.



To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

When the green line reaches the red line for FY 2037-38, the Board will discontinue setting aside money for its OPEB liability. Until then, the current funding strategies are

- Continue the transfer of only one-time lease bonus payments from 16th Section and Other Real Property
- Continue the transfer from reserve of any monies of the Medical or Dental Internal Service funds that exceeds 25% of Total Operating Expenses from the prior fiscal year
- Transfer 20% of the Sales & Use Tax Revenues that exceed \$55.0 million

Major Initiatives

Two major strategies and educational programs that have proven to produce larger gains in student learning and that provides an equal opportunity for all students to succeed has been the Early Childhood (4-year olds) Programs and the Teacher and Student Advancement Program (TAP) Model

Early Childhood – This program began as a pilot program in FY 2001-02 that is offered in all schools in DeSoto Parish today. Its purpose is to enhance the school readiness of young children for kindergarten, particularly disadvantaged young children, as well as, early reading and cognitive development skill for all 4 year old children. The funding sources and total costs for this program are shown below.

<u>Funding Name</u>	<u>Funding Source</u>	<u>FY 2012-13 Cost</u>
Title I	Federal Grant	\$ 229,432
Temporary Assistance for Needy Families	Federal Grant	780,327
LA4 State	State Grant	161,566
Student Enhancement - 8g	State Grant	106,680
General Fund	Local	<u>835,711</u>
Total		<u>\$2,113,716</u>

Teacher and Student Advancement Program (TAP) – This program was piloted in FY 2008-09 is now serving all schools in DeSoto Parish. TAP gives increased attention to high quality teaching and learning, and has raised schools and school district performance scores. The funding sources and total cost is shown below.

<u>Funding Name</u>	<u>Funding Source</u>	<u>FY 2012-13 Cost</u>
Teacher Incentive Fund	Federal Grant	\$ 2,214,564
Title I	Federal Grant	958,347
School Improvement Fund - 1003g	Federal Grant	254,009
IDEA	Federal Grant	20,525
Title II	Federal Grant	96,550
General Fund	Local	658,995
Instructional Enhancement Fund	Local	<u>417,902</u>
Total		<u>\$4,620,892</u>

To the Elected School Board Members and
Citizens of DeSoto Parish
December 14, 2013

Relevant Financial Policies

General Fund-Fund Balance – The DeSoto Parish School Board's Annual Operating Budget Policy, which was approved in December 2008, establishes a minimum General Fund – Fund Balance of 15% to total General Fund expenditures during the budget process. This policy is intended to keep the school system from having financial problems and to improve its financial position in future years. This was successfully achieved for the 19th consecutive fiscal year that ended on June 30, 2013 by maintaining an 18.1% ratio.

One-time Revenues and Unpredictable Revenues – In order to minimize the disruptive effects in future budget years, all one-time revenues and unpredictable revenues (which are unreliable in future budget periods) will be placed into the non-recurring expenditures first. Acceptable uses of non-recurring funds include (a) increasing reserves, (b) expending monies for capital project improvements, (c) funding of OPEB liabilities, (d) early retirement of debt, and (e) giving one-time supplements rather than permanent salary increases to its employees. None of the events listed above were undertaken in FY 2012-13.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the 22nd consecutive year that the DeSoto Parish School Board has received this prestigious award. In order to be awarded a Certificate of Achievement, the School Board published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting Award for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the 22nd consecutive year that the DeSoto Parish School Board has received this prestigious award. The award represents a significant achievement by the School Board and reflects our commitment to the highest standards of school system financial reporting.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the certificate requirements, and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Business Department. We want to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Superintendent and the School Board Members for their unfailing support for maintaining the highest standards of professionalism in the management of the DeSoto Parish School Board's finances.



Dr. Preston Cade Brumley, Superintendent
DeSoto Parish Schools



Steven Stanfield, Director of Business
Services

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

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

Presented to

**DeSoto Parish School Board
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Certificate of Excellence in Financial Reporting

Association of School Business Officials International



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

DeSoto Parish School Board

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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

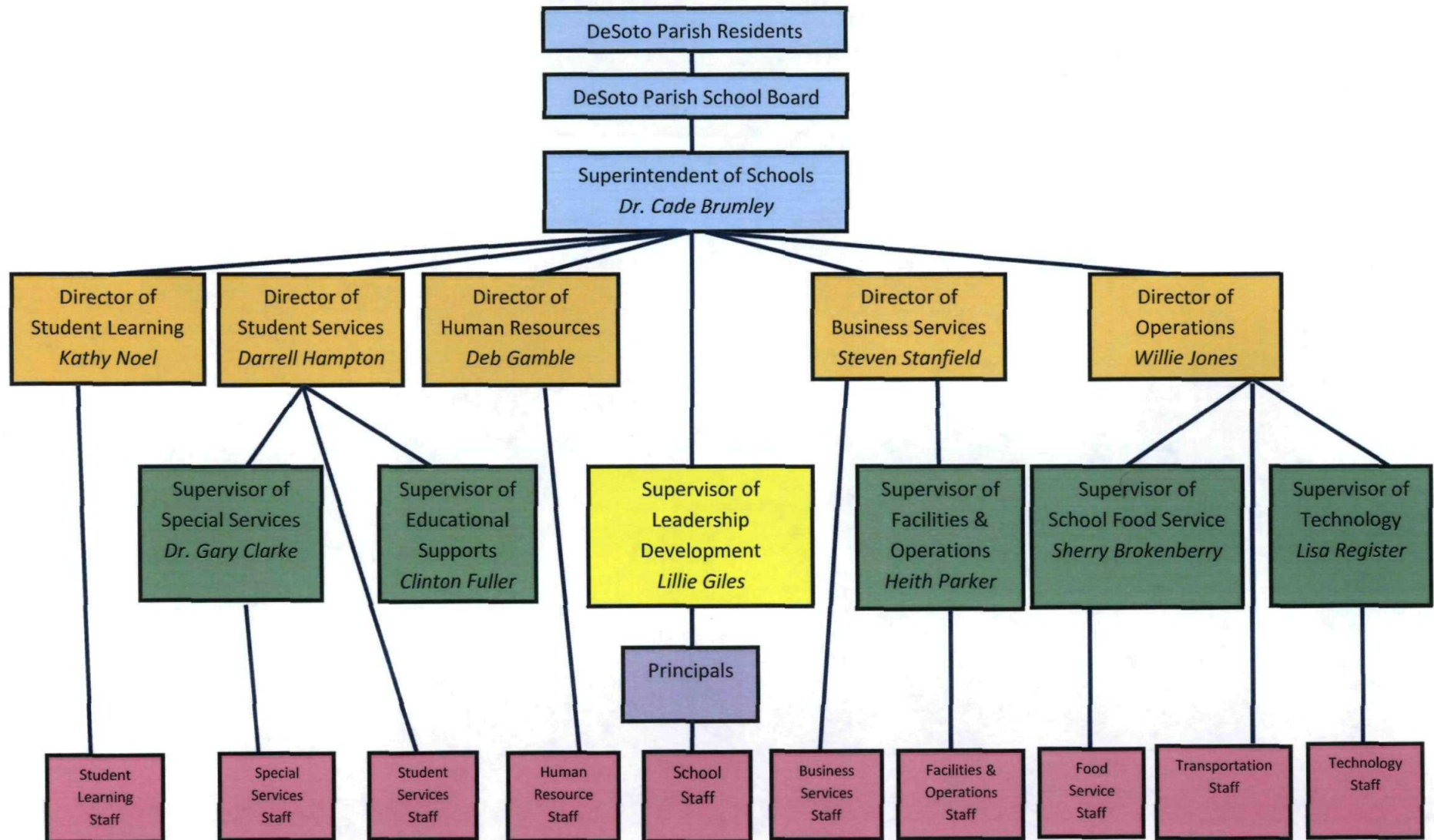


Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director

DeSoto Parish School Board Mansfield, LA

The organizational chart below is a visual depiction of the way work is distributed with the DeSoto Parish School System. It is also meant to be a tool to help enhance our working relationship with the citizens of DeSoto Parish, and to create clear channels of communications in order to better accomplish our goals and objectives.



DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Elected School Board Members as of June 30, 2013



President
Mr. L.J. Mayweather, Jr.
District No. 11



Vice President
Mr. Dudley Glenn
District No. 1



Finance Committee Chairman
Mr. Johnny Haynes
District No. 7



Dr. Robert "Neil" Henderson
District No. 2



Mr. McLawrence Fuller
District No. 3



Mr. Donald "Donny" Dufour
District No. 4



Mr. Steavy Clark
District No. 5



Mr. Coday Johnston
District No. 6



Mr. Larry "Mark" Ross
District No. 7



Mr. Thomas "Tommy" Craig, Jr.
District No. 9



Mr. Garland Spivey
District No. 10

The term of office for Board Members is four years that began on January 1, 2011 and will end on December 31, 2014. New four year terms will be decided by voters in the fall of 2014.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

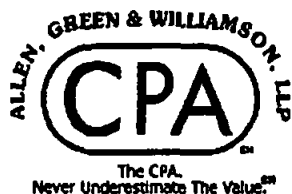
Selected Administrative Officials as of June 30, 2013

<u>Name</u>	<u>Title</u>	<u>Years of Experience</u>	<u>Began as an Administrator</u>
Dr Preston "Cade" Brumley	Superintendent	11	12-2012
Ms Sherry Brokenberry	Supervisor of School Food Service	37	10-2001
Dr Gary Clarke	Supervisor of Special Services	15	08-2007
Mr Clinton Fuller	Supervisor of Educational Supports	22	01-2008
Mrs Debra Gamble	Director of Human Resources	32	08-2004
Mrs Lillie Giles	Supervisor of Leadership Development	41	07-2013
Mr Darrell Hampton	Director of Student Services	23	08-2011
Mr Willie Jones	Director of Operations	34	07-1996
Mrs Kathy Noel	Director of Student Learning	31	07-1999
Mr Clayton "Heith" Parker	Supervisor of Facilities and Operations	15	06-2013
Mrs Lisa Register	Supervisor of Technology	25	07-2004
Mr Steven Stanfield	Director of Business Services	32	01-1985

**DeSoto Parish School Board
Mansfield, Louisiana**

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FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P O Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone (318) 388-4422

Fax (318) 388-4664

Toll-free (888) 741-0205

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA

Jaime Esswein CPA, CFE
Jaunicia Mercer CPA, CFE
Roomi Shakir, CPA
Cindy Thomason CPA

Ernest L. Allen CPA
(Retired) 1963 2000

INDEPENDENT AUDITOR'S REPORT

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

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 DeSoto Parish School Board, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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 School Board'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 School Board'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 DeSoto Parish School Board, as of June 30, 2013, 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, Schedule of Funding Progress for Other Post Employment Benefits, Schedule of Employer Contributions for Other Post-Employment Benefit Plan, and the Budgetary Comparison Schedules, as listed in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeSoto Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, 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 accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, listed as the introductory and statistical sections in the table of contents, has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2013 under separate cover on our consideration of the DeSoto Parish 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

allen, green & williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2013

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION

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

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

We offer readers of the DeSoto Parish School Board's financial statements this narrative overview and analysis of the financial activities of the DeSoto Parish School Board for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2012-13 fiscal year include the following:

- Statement of Net Position – The assets of the DeSoto Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$117,182,824 (net position). Of this amount, \$54,355,580 (unrestricted net position) may be used to meet the government's obligations to students and creditors.
- Statement of Activities – The total net position of the DeSoto Parish School Board decreased by \$8,658,594 for the year ended June 30, 2013. This is a 6.9% decrease from last fiscal year and is largely due to the decrease in sales and use tax revenues.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the DeSoto Parish School Board's governmental funds reported a combined ending fund balance of \$53,717,952, a decrease of \$11,877,066 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$12.2 million for spending within the General Fund, (2) \$3.6 million which is a committed reserve for the payment of outstanding bond issues within the Debt Service Funds, and (3) \$31.1 million which is a committed reserve for specific construction projects within the Capital Projects Funds.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2013 for the governmental funds of the DeSoto Parish School Board amounted to \$84,288,223. Approximately 86.5% of this amount is received from three major revenue sources: (1) \$11.1 million from Grants & Contributions Not Restricted to Specific Programs, (2) \$40.1 million from local ad valorem taxes, and (3) \$22.0 million from local sales and use taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, fund balance for the General Fund, a major fund, was \$12,156,052, or 18.1% of total General Fund expenditures. Approximately \$8.3 million is committed for future claims and contingencies, equipment replacement, and specific projects, while \$3.8 million is unassigned and available for spending at the Board's discretion.
- Capital Assets – Total capital assets (net of depreciation) were \$100,716,730 or 71.7% of the total capital assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The DeSoto Parish School Board's total debt decreased \$2,185,000 (4.2%) during the current fiscal year. The school system outstanding debt at June 30, 2013 includes General Obligation Bonds of \$27.2 million, Sales & Use Tax Revenue Bonds of \$14.5 million, and Limited Tax Revenue Bonds of \$8.4 million. The primary reason for the decrease was the payment on all outstanding long-term debt issues.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

Overview of the Financial Statements

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

Government-wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of the DeSoto Parish School Board's finances, in a manner similar to a private-sector business.

- The Statement of Net Position presents information on all of the DeSoto Parish School Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the DeSoto Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The DeSoto Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

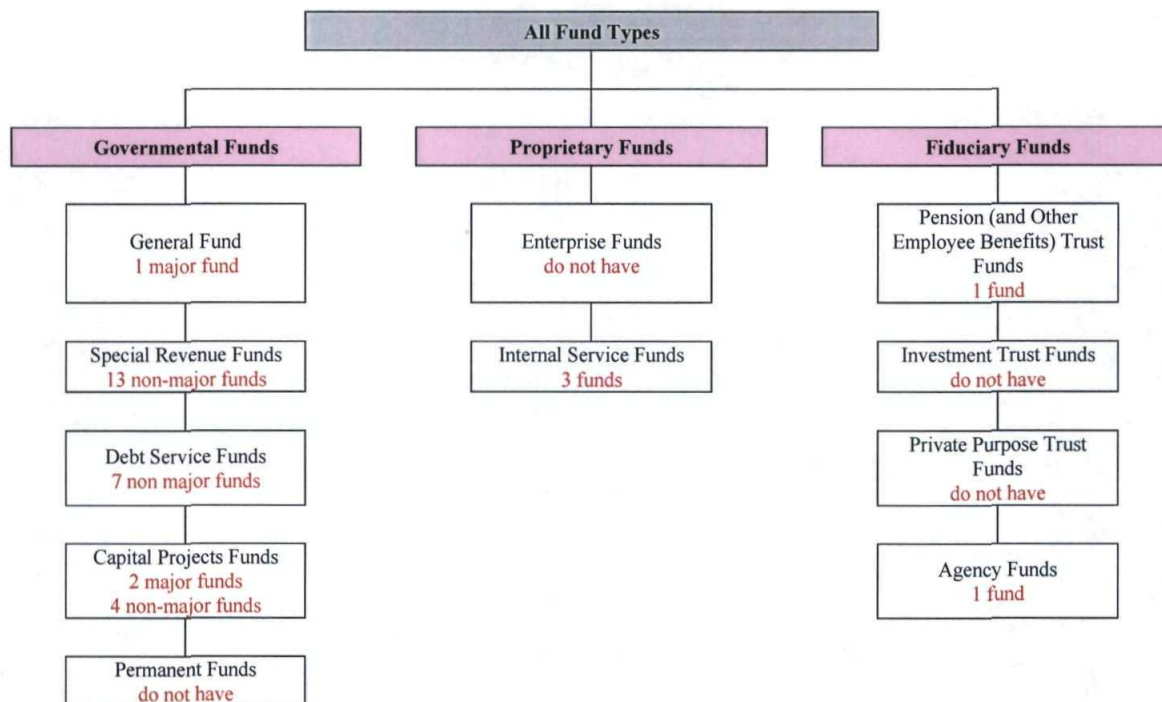
All of the funds of the DeSoto Parish School Board are categorized in one of 11 fund types. Each fund type and the number of individual funds operated by the DeSoto Parish School Board for FY 2012-13 are listed in the chart on the next page.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013



- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the DeSoto Parish School Board near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the (a) General Fund, (b) the School District No. 2 Capital Projects Fund, and (c) the Parishwide Capital Projects Fund which are considered to be the only major funds. Data for the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

The DeSoto Parish School Board adopts an annual appropriated budget for its General Fund and each individual Special Revenue Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

- *Proprietary fund* The DeSoto Parish School Board maintains three funds within the Proprietary Fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the School Board's various functions. The School Board uses an Internal Service Fund to account for the accumulation of resources for and the payment of employee medical insurance, dental insurance, and workmen's compensation by the School Board's risk management program. Because this service predominantly benefits governmental functions, it has been included with governmental activities in the government-wide financial statements.
- *Fiduciary funds* Fiduciary funds are used to account for resources held for the benefit of parties outside the DeSoto Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the DeSoto Parish School Board's own programs. The School Board maintains one Pension (and other employee benefits) Trust Fund and one Agency Fund. The Trust Fund accounts for the assets held in an irrevocable trust for payment of retiree health insurance premiums. The Agency Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Notes to the 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.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the DeSoto Parish School Board, assets exceed liabilities by \$117,182,824 at the close of the most recent fiscal year.

A portion of the DeSoto Parish School Board's total net position of approximately \$59.3 million (50.6%) reflects 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 educational services to children and adults; consequently, these assets are not available for future spending. Although the DeSoto Parish 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.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

DeSoto Parish School Board's Net Position

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current and other assets	\$ 69,668,644	\$ 79,774,729
OPEB assets	11,781,326	15,846,551
Capital assets - Net of Depreciation	<u>100,716,730</u>	<u>97,475,997</u>
Total assets	<u>\$ 182,166,700</u>	<u>\$ 193,097,277</u>
Current and other liabilities	\$ 7,860,851	\$ 7,546,019
Long-term liabilities	<u>57,123,025</u>	<u>59,709,840</u>
Total liabilities	<u>\$ 64,983,876</u>	<u>\$ 67,255,859</u>
Net position		
Net investment in capital assets	\$ 59,346,917	\$ 59,372,145
Restricted	3,480,327	4,838,689
Unrestricted	<u>54,355,580</u>	<u>61,630,584</u>
Total net position	<u>\$ 117,182,824</u>	<u>\$ 125,841,418</u>

A portion of the School Board's net position of \$3,480,327 is reported separately as restricted to show the legal constraints for the payment of outstanding long-term debt obligations, designated capital projects, and to limit the School Board from using these funds for day-to-day operations. The remaining balance of the net position is unrestricted at \$54,355,580 and may be used to meet the School Board's ongoing obligations to citizens and creditors. Governmental activities decreased the DeSoto Parish School Board's net assets by \$8,658,594 which was a 6.9% loss in the net position. Key elements of this decrease are on the next page.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

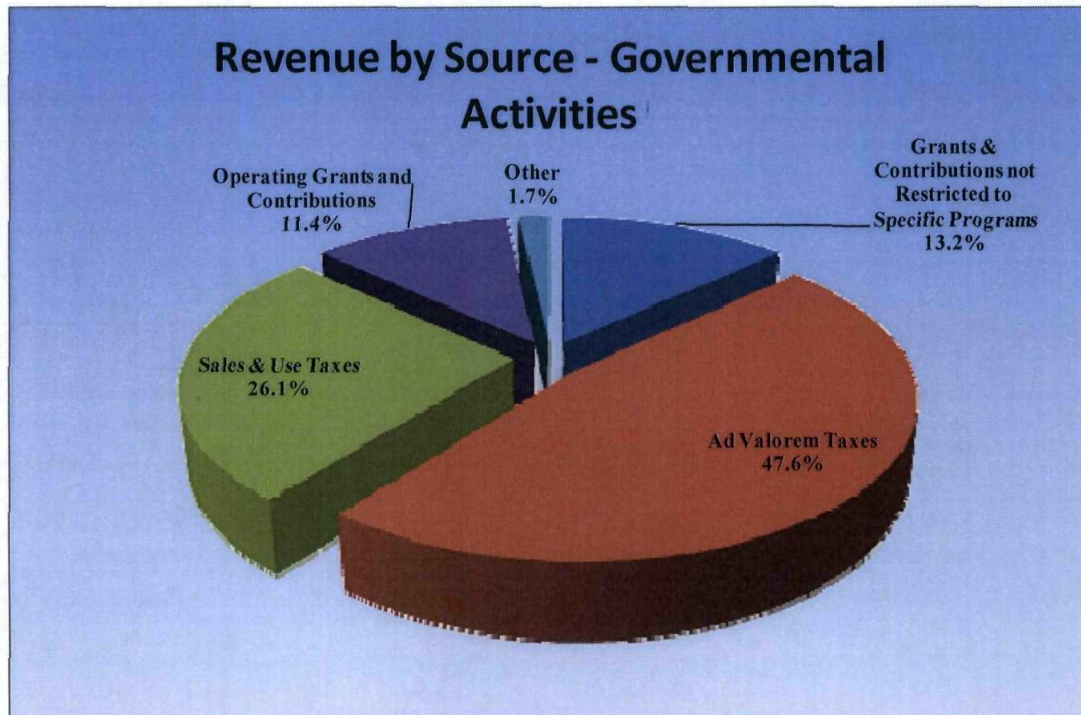
Management's Discussion and Analysis

June 30, 2013

DeSoto Parish School Board's Changes in Net Position

	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>Increase (Decrease)</u>
Revenues			
Program revenues			
Charges for services	\$ 331,244	\$ 353,944	\$ (22,700)
Operating grants and contributions	9,629,581	9,725,739	(96,158)
Capital Grants and contributions	-	-	-
General revenues			
Ad valorem taxes	40,092,603	27,777,986	12,314,617
Sales taxes	21,954,012	48,159,184	(26,205,172)
Grants and contributions not restricted to specific programs	11,145,435	10,851,557	293,878
Interest and investment earnings	293,366	353,014	(59,648)
Other general revenues	815,105	1,274,231	(459,126)
Total revenues	<u>\$ 84,261,346</u>	<u>\$ 98,495,655</u>	<u>\$ (14,234,309)</u>
Expenses			
Instruction			
Regular programs	32,487,281	35,268,039	(2,780,758)
Special programs	20,320,465	23,352,366	(3,031,901)
Support services			
Pupil support services	4,650,927	5,267,441	(616,514)
Instructional staff support services	4,371,112	4,863,102	(491,990)
General administration	3,505,678	2,965,378	540,300
School administration	4,786,840	5,417,468	(630,628)
Business services	1,453,055	1,661,215	(208,160)
Plant services	7,819,247	10,639,508	(2,820,261)
Student transportation services	5,815,375	7,150,936	(1,335,561)
Central services	381,144	453,419	(72,275)
Non-Instructional Services			
Food services operations	5,429,639	5,664,489	(234,850)
Debt service—interest on long-term obligations	1,899,177	2,070,437	(171,260)
Total expenses	<u>\$ 92,919,940</u>	<u>\$ 104,773,798</u>	<u>\$ (11,853,858)</u>
Change in net position	(8,658,594)	(6,278,143)	(2,380,451)
Net position at beginning of the year	<u>125,841,418</u>	<u>132,119,561</u>	<u>(6,278,143)</u>
Net position at end of year	<u>\$ 117,182,824</u>	<u>\$ 125,841,418</u>	<u>\$ (8,658,594)</u>

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2013



Revenues by Source – Governmental Activities

- **Ad Valorem Tax Revenues:** Ad valorem tax revenues, also called property tax revenues, are the largest source of revenue for the School Board. Ad valorem collections are based upon the number of mills (approved annually by the School Board) and the taxable assessed value (established by the DeSoto Parish Tax Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The chart below lists the ad valorem tax deposits for the past 3 years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Nonmajor</u>		<u>Debt Service and Capital Projects Funds</u>	<u>Total Ad Valorem Taxes</u>	<u>Increase (Decrease)</u>	
		<u>Special Revenue Funds</u>	<u>Funds</u>			<u>Amount</u>	<u>Percent</u>
2010-11	\$ 15,410,383	\$ 2,996,832		\$ 3,234,949	\$ 21,642,164	\$ 823,555	4.0%
2011-12	22,371,667	4,165,457		1,240,862	27,777,986	6,135,822	28.4%
2012-13	32,817,569	5,398,479		1,876,555	40,092,603	12,314,617	44.3%

In FY 2012-13, the School Board deposited \$40,092,603 of ad valorem tax revenues into the General Fund, Maintenance Tax Fund, the Debt Service Funds and Capital Project funds. This represents 47.6% of the total revenues received and is an increase of approximately \$12.3 million from the prior fiscal year with the majority being deposited into General Fund.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

- **Sales and Use Tax Revenues** Sales and use tax revenues are the second largest source of revenues for the DeSoto Parish School Board. A 2½% sales tax rate is levied upon the sale and consumption of goods and services within the parish for public school education. The chart below lists the sales and use tax revenues for the past 3 years.

Fiscal Year	General Fund	School Food Service Fund	Nonmajor Debt Service Funds	Capital Projects Funds	Total Sales & Use Tax Collections	Percentage Increase or (Decrease)
2010-11	\$ 39,511,337	\$ 2,120,000	\$ 2,021,503	\$ 29,433,938	\$ 73,086,778	35.1%
2011-12	40,388,637	2,450,547	1,729,397	3,590,603	48,159,184	-34.1%
2012-13	14,288,351	2,252,000	2,052,525	3,361,136	21,954,012	-54.4%

In FY 2012-13, the School Board deposited \$21,954,012 of sales and use tax revenues into the General Fund, School Food Service, Debt Service Funds, and Capital Projects Funds. This represents 26.1% of the total revenues received. Total collections decreased approximately 54.4% or \$22.0 million in fiscal year 2012-13. Much of this decrease is attributed to a slowdown in the exploration of natural gas known nationally as the Haynesville Shale.

- **Grants and Contributions Not Restricted To Specific Programs** The third largest source of revenue to the DeSoto Parish School Board is reported in the "Grants and Contributions Not Restricted to Specific Programs." Much of the money comes from the State of Louisiana through the distribution of approximately \$3.6 billion to all public school systems and is commonly known as the Minimum Foundation Program (MFP) which helps pay for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution of the MFP is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The chart below lists the actual increases or decreases in the "Grants and Contributions Not Restricted to Specific Programs" for the past 3 years.

Fiscal Year	Minimum Foundation Program (MFP)	State Revenue Sharing	Unrestricted State Grants	Total	Percentage Increase or (Decrease)
2010-11	\$ 19,965,412	\$ 302,909	\$ 838,141	\$ 21,106,462	-5.9%
2011-12	10,471,365	301,242	78,950	10,851,557	-48.6%
2012-13	10,823,969	321,466	-	11,145,435	2.7%

In FY 2012-13, the School Board received \$11,145,435 or 11.4% of its total revenues from the MFP, State Revenue Sharing, and Unrestricted State Grants. The General Fund deposited \$10.8 million while the remaining \$342,400 was shown in the School Food Service Fund. Most of the \$293,000 increase is from the State raising the formula for the MFP.

- **Operating Grants and Contributions** Operating grants and contributions totaled approximately \$9.6 million and are the fourth largest source of revenues for the School Board. Federal grants represent approximately \$9.0 million or 93.0% of the total while state grants represent approximately \$677,000 or 7.0%. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

programs to show a true net cost. The chart below shows the operating grants and contributions by funding source.

Fiscal Year	School Food Service	Title I	Special Education	Other Operating Grants & Contributions	Total	Percentage Increase or (Decrease)
2010-11	\$ 1,776,221	\$ 2,697,940	\$ 1,730,945	\$ 3,077,706	\$ 9,282,812	-12.3%
2011-12	1,825,549	1,937,510	1,177,571	4,785,109	9,725,739	4.8%
2012-13	1,917,331	1,628,985	1,027,811	5,055,454	9,629,581	-1.0%

In FY 2012-13, the School Board received a 1.0% decrease or \$96,100 in operating grants and contributions from the prior fiscal year. Of the total operating grants and contributions received, \$4.6 million or 47.5% is received from School Food Service, Title I, and Special Education Programs.

Expenses and Program Revenues – Governmental Activities

Program expenses and program revenues for governmental activities are classified by functions/programs as shown in the table and bar graph below. Program revenues are comprised of (1) specific charges for the services, and (2) operating grants and contributions.

	June 30, 2013		June 30, 2012	
	Program Expenses	Program Revenues	Program Expenses	Program Revenues
Regular Programs	\$ 32,487,281	\$ 30,649	\$ 35,268,039	\$ 48,268
Special Programs	20,320,465	7,372,046	23,352,366	7,491,618
Pupil Support Services	4,650,927	147,015	5,267,441	198,789
Instructional Staff Support	4,371,112	147,700	4,863,102	148,793
General Administration	3,505,678	-	2,965,378	-
School Administration	4,786,840	-	5,417,468	-
Business Services	1,453,055	3,477	1,661,215	3,492
Plant Services	7,819,247	-	10,639,508	-
Student Transportation Services	5,815,375	11,363	7,150,936	9,230
Central Services	381,144	-	453,419	-
Food Service	5,429,639	2,248,575	5,664,489	2,179,493
Interest on Long-Term Debt	1,899,177	-	2,070,437	-
Total Governmental Activities	\$ 92,919,940	\$ 9,960,825	\$ 104,773,798	\$ 10,079,683

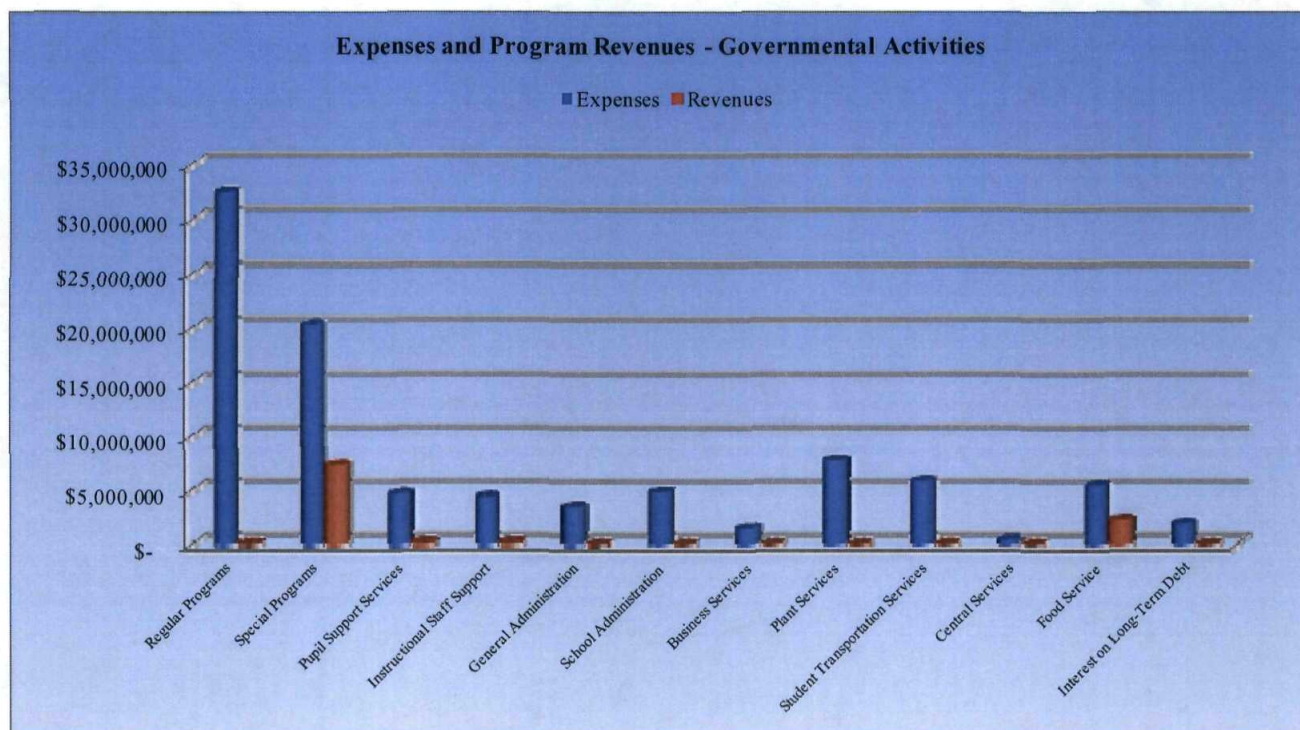
For the fiscal year that ended June 30, 2013, total program expenses of approximately \$93.0 million exceeded total program revenues of approximately \$10.0 million. These net program expenses of \$82,959,115 were funded with other revenues sources of the School Board. The two most funded programs continue to be Special Programs and Food Service.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013



- Instruction:** Expenses for regular programs, special programs, and adult/continuing education are considered instruction services and are related to direct expenses of providing instruction to students. Instruction services for the fiscal year 2012-13 totaled more than \$52.8 million or 56.8% of total governmental activities.

<u>Fiscal Year</u>	<u>Regular Programs</u>	<u>Special Programs</u>	<u>Continuing Education</u>	<u>Instruction Total</u>	<u>Increase (Decrease)</u>
2010-11	\$ 31,478,048	\$ 23,113,551	\$ 8,770	\$ 54,600,369	21.1%
2011-12	35,268,039	23,352,366	-	58,620,405	7.4%
2012-13	32,487,281	20,320,465	-	52,807,746	-9.9%

As shown in the chart above, instructional services decreased approximately \$5.8 million. The majority of the decrease for FY 2012-13 can be associated with (a) the reduction of payments to the OPEB Trust Fund for retired employees that cost \$1.8 million in the prior fiscal year, and (b) not providing two separate one-time pay supplements to all instructional employees that cost \$3.7 million in the prior fiscal year.

- Support Services:** Support Services relate to those functions that facilitate the Instructional Services. Support services include Pupil Support, Instructional Staff Support, General Administration, School Administration, Business Services, Plant Services, Transportation Services, and Central Services. Support services for the fiscal year 2012-13 totaled approximately \$32.8 million or 35.3% of total governmental activities.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

Fiscal Year	Instructional Staff Support	Plant Services	Student Transportation	Other	Total Support Services	Increase (Decrease)
2010-11	\$ 5,058,454	\$ 9,308,603	\$ 6,429,010	\$ 13,761,551	\$ 34,557,618	12 7%
2011-12	4,863,102	10,639,508	7,150,936	15,764,921	38,418,467	11 2%
2012-13	4,371,112	7,819,247	5,815,375	14,777,644	32,783,378	-14 7%

The chart above shows that Support Services decreased \$5 6 million from the prior fiscal year. The majority of the decrease for FY 2012-13 can be associated with (a) the reduction of payments to the OPEB Trust Fund for retired employees that cost \$1 2 million in the prior fiscal year, (b) not providing two separate one-time pay supplements to all instructional employees that cost \$2 7 million in the prior fiscal year, and (c) the reduction of 13 employee that totaled \$1 3 million.

- **Non-Instructional Services** Activities concerned with providing non-instructional services to students, staff or the communities are defined as Non-Instructional Services. The only services provided by the DeSoto Parish School Board for this category is Food Service Operations. For fiscal year 2012-13, total expenditures were approximately \$5 4 million or 5 8% of total governmental activities.

Fiscal Year	Food Services	Increase (Decrease)
2010-11	\$ 4,892,492	21 6%
2011-12	5,664,489	15 8%
2012-13	5,429,639	-4 1%

The chart above shows that Non-Instructional Services decreased \$234,850 or 4 1% from the prior fiscal year. The majority of the decrease for FY 2012-13 can be associated with not providing two separate one-time pay supplements to all food service employees that were provided in the prior fiscal year.

- **Debt Service – Interest on Long-term Obligations** The remaining \$1,899,177 (2 0%) of total governmental activities consists of interest expense on long-term obligations.

Fiscal Year	Interest on Long Term Obligations	Increase (Decrease)
2010-11	\$ 1,642,961	12 7%
2011-12	2,070,437	26 0%
2012-13	1,899,177	-8 3%

Debt Service expenditures decreased \$171,260 from the prior fiscal year because of decreased semi-annual payments on all outstanding long-term debt obligations. Over the next 20 years, interest payments on long-term debt obligations will decline annually between \$84,132 and \$114,109. The final long-term debt payment will occur in fiscal year 2031-32 unless additional debt is issued.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

Financial Analysis of Governmental Funds

As noted earlier, the DeSoto Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements

The focus of the DeSoto Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the DeSoto Parish School Board's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the DeSoto Parish School Board's governmental funds reported a combined ending fund balance of \$53,717,952, a decrease of \$11,877,066 in comparison with the prior fiscal year. The key factors of this decrease are as follows:
 - **General Fund** – An increase of \$45,649 occurred in FY 2012-13 because of transfer of \$8,250,000 from the Parishwide Capital Projects Fund. This transfer was needed because of a severe drop in Sales & Use Tax Revenues. The administrative staff continues to monitor the General Fund – Fund Balance in an effort to keep a ratio between 15% and 20% of total expenditures. This is needed to safeguard the school system from having financial problems and to improve the financial condition of the DeSoto Parish School Board. The chart below shows the percentage of the fund balance to expenditures for the past 3 years and for FY 2012-13.

Fiscal Year	Total Expenditures	Fund Balance	Percentage of Fund Balance to Expenditures
2009-10	\$ 73,182,739	\$ 11,705,134	16.0%
2010-11	76,687,732	14,154,918	18.5%
2011-12	77,215,458	12,110,403	15.7%
2012-13	67,041,032	12,156,052	18.1%

There are four primary reasons to maintain an adequate fund balance:

- **Cash Flow** – It is essential for the School Board to have enough cash on hand for payroll and other obligations to be made timely because (1) property tax revenues are not received until January, February, and March of each calendar year, and (2) most state and federal grants require the School Board to make payment first before the grant will make reimbursement.
- **Unforeseen Events** – Reserves often act as a contingency to meet unbudgeted and unexpected needs, thus allowing time to make permanent changes to the budget and preventing fiscal problems from needlessly worsening.
- **Financial Security** – A fund reserve demonstrates a sign of financial strength and security to banking and financial institutions allowing the School Board to borrow funds and sell bonds when schools need to be built or renovated at more favorable rates, thus saving the taxpayer money.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

- **Interest Earnings** – Additional revenues can be earned by investing idle funds

- School District No 2 Capital Projects Fund – School District No 2 Capital Projects Fund is a major fund that had a \$4.9 million deficit in FY 2012-13. This is not unusual because capital projects are, for the most part, financed through the selling of bonds or saving money over a period of time, where the money is receipted in one fiscal year and the payment of the capital expenditure extends over several fiscal years. This type of financing will cause a Capital Projects Fund to experience a large surplus in one year followed by a couple of years of deficits in later years.

Sales & Use Tax Revenue Bonds of \$15.0 million were sold in FY 2011-12 and deposited into this fund to pay for several capital expenditures because of the growing number of students attending North DeSoto Elementary PK-2, North DeSoto Elementary 3-5, North DeSoto Middle School, and at North DeSoto High School. For FY 2012-13, four major construction projects for the North DeSoto schools were started or were continued that accounted for the majority of the \$5.4 million of expenditures. They include (a) a campus loop road for all schools, (b) athletic improvements for the baseball, softball and football complexes at North DeSoto High School, (c) a new football stadium entrance for North DeSoto High School, and (d) office and entrance renovations at North DeSoto High School.

The remaining \$15.1 fund balance at June 30, 2013 is committed to other capital expenditures for the 4 schools in School District No 2.

- Parishwide Capital Project Fund – The Parishwide Capital Projects Fund, a major fund, had approximately a \$7.8 million deficit in FY 2012-13 largely due when the Board abandoned the construction of a Career Academy facility. Monies had been saved from increased Sales and Use Tax revenues in prior years and were transferred to the General Fund when collections began to drop significantly.
- School Food Service Fund - The School Food Service is a non-major Special Revenue Fund and is used to account for revenues and costs associated with providing nutritious meals to school children and employees. For the year ended June 30, 2013, the total fund balance was \$832,452 which is an increase of \$15,833 from the previous fiscal year. The non-spendable amount of the fund balance is directly tied to the inventory of food while the restricted amount of \$785,902 can be used for future expenditures in the school breakfast and lunch programs.
- Instructional Enhancement Program Fund – The Instructional Enhancement Program is a non-major Special Revenue Fund that is funded annually with local revenues through Earnings from Other Real Property. This provides continued funding for educational programs when State and Federal grants are no longer available or when they underfund a program. A surplus of \$692,308 occurred in FY 2012-13 after a \$900,000 transfer was received from the General Fund. The remaining fund balance of \$3.4 million is intended to be used for the Teacher Advancement Program (TAP) in future years.
- Maintenance Tax Fund – The Maintenance Tax Fund is a non-major Special Revenue Fund that is funded annually with local revenues through Parishwide ad valorem property tax. This provides additional support for property/casualty insurance, school bus purchases, fuel for pupil transportation, utilities, maintenance, and school security. A surplus of \$112,977 in FY 2012-13 brings the restricted fund balance up to \$2.6 million.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

- All seven non-major Debt Service funds have a total fund balance exceeding \$3.5 million at June 30, 2013, all of which is committed for the payment of debt. A net decrease of \$690,183 occurred during the current fiscal year and was largely to the payment of debt in School District No. 2 and School District No. 3. The administration placed additional monies in reserve when Sales & Use Tax revenues were at an all-time high in FY 2010-11 so that taxes would not have to be collected in future years. As a result, reserves were used to make debt service payments. The remaining General Obligation Bond Issues continue to meet the School Board's reserve policy to have at least 40%, but not greater than 75%, of next year's principal and interest payments in reserve.
- The remaining four non-major Capital Projects funds have a total fund balance exceeding \$3.7 million at June 30, 2013, all of which are committed for future capital improvements. This was a net increase of \$674,600 as money is being saved to fund future construction projects in Logansport, Stanley, Mansfield, and Pelican.

General Fund Budgetary Highlights

The original 2012-13 fiscal year operating budget for the School Board was adopted on June 7, 2012, and the final budget amendment was adopted on June 27, 2013. Differences between the original budget and the final amended budget of the General Fund are as follows:

Revenues

- The original budget of \$22.1 million for Ad Valorem Tax collections was based on a projected taxable assessed value of \$591.0 million, a millage rate of 36.56 mills, and a collection rate of 99.0%. The budget was changed to \$32.6 million when the actual taxable assessed value was received at \$655.1 million, the millage rate was increased by the Board to 48.49 mills, and the collection rate reached 99.9%.
- The beginning budget for Sales and Use Tax revenues were expected to reach \$38,708,750 for the year based on estimates from the DeSoto Parish Sales and Use Tax Commission. The budget was decreased \$24.5 million on four separate occasions after actual deposits showed that collections would not reach the original budget amount. Much of this decrease is attributed to a slowdown in exploration of natural gas in an area nationally known as the Haynesville Shale within DeSoto Parish.
- State Equalization revenues were originally forecasted to reach exceed \$10.2 million in FY 2012-13 which was an increase \$54,520 from the prior fiscal year. The staff used an estimated weighted student rate of \$2,205 and an estimated October 1st student count of 4,776. When the State Department of Education changed the formula to increase the weighted student rate to \$2,210 along with an increase in the student count of 4,954, a budget adjustment for \$342,000 was submitted to the Board for approval.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

Expenditures

- Expenditures for instruction decreased approximately \$998,000 for regular programs and decreased approximately \$1.7 million in special programs. The largest part of this decrease is due to (a) reduction of 15.5 teacher positions totaling \$2.4 million, and (b) a reduction of \$465,500 in the purchase of materials and supplies.
- Expenditures for support services were decreased approximately \$2.6 million due to (a) the reduction of 28 employees. Thirteen positions were actually reduced, while the funding source of the remaining 15 positions were changed to the Maintenance Tax Fund.

Other Financing Sources / Uses

- The majority of the budget increase for Other Financing Sources is due to the additional \$8,250,000 that was transferred into the General Fund from the Parishwide Capital Projects Fund when the Board abandoned the construction of a new Career Academy.
- The majority of the budget increase for Other Uses of Funds is due to the transfer of \$900,000 from the General Fund to the Instructional Enhancement Fund at the end of the fiscal year.

Net Change in Fund Balance

- The original budget projected a surplus of \$157,199 and was later amended and projected to have a surplus of \$29,050. This is the 19th consecutive year the administration has kept the percentage of fund balance to total expenditures at or above 15%.

Capital Assets and Debt Administration

Capital Assets The DeSoto Parish School Board's investment in capital assets as of June 30, 2013 amounts to \$100.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of each fiscal year.

DeSoto Parish School Board's Capital Assets (Net of Depreciation)

	<u>2013</u>	<u>2012</u>
Land	\$ 2,424,129	\$ 2,424,129
Buildings, building improvements, and land improvements	91,328,706	79,963,060
Furniture, equipment, and vehicles	5,338,138	5,495,542
Construction in progress - buildings	<u>1,625,757</u>	<u>9,593,266</u>
Total	<u>\$ 100,716,730</u>	<u>\$ 97,475,997</u>

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

Major capital asset events during the fiscal year included the following

- Several capital improvements were completed in FY 2012-13 that added \$14.7 million to building, building improvements, and land improvements
 - District No. 2 – North DeSoto
 - Athletic Fieldhouse at North DeSoto High
 - Math & Science Building at North DeSoto High
 - School Office and Entrance Renovations at North DeSoto 3-5
 - District No. 3 – Stanley
 - Gym Renovation
 - Cafeteria Renovation
 - District No. 4 – Mansfield
 - Multipurpose Building at Mansfield Elementary
- Six regular education school buses and one maintenance van were purchased in FY 2012-13 totaling \$522,907
- Construction in Progress was reduced by approximately \$8.0 million when (a) the six projects totaling \$15.4 million listed in the bullet above were moved to buildings, building improvements, and land improvements and (b) four other capital improvement projects totaling \$7.4 million remain as shown below
 - District No. 2 – North DeSoto
 - Campus Loop Road for Bus Traffic
 - Football Field Stadium Entrance
 - Visitor Football Field House
 - Baseball & Softball Field Additions
- Depreciation expense for the year lowered all capital asset values a total of \$4,279,293

Long-Term Debt At the end of the current fiscal year, the DeSoto Parish School Board had total bonded debt outstanding exceeding \$49.8 million. Of this amount, the General Obligation Bonds that totaled \$27,175,000 are backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2013 for the past two fiscal years.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

DeSoto Parish School Board's Outstanding Debt

	<u>2013</u>	<u>2012</u>
General Obligation Bonds	\$ 27,175,000	\$ 28,225,000
Limited Tax Revenue Bonds	8,155,000	8,450,000
Sales Tax Bonds	14,485,000	15,000,000
Certificate of Indebtedness	<u>-</u>	<u>325,000</u>
Total	<u>\$ 49,815,000</u>	<u>\$ 52,000,000</u>

Long-term debt issues for fiscal year 2012-13 include the following

- Principal and interest payments were made during the fiscal year that reduced the total outstanding debt by \$2,185,000
- The DeSoto Parish School continues its "AA" rating from Standard & Poor's that was first received in March 2010. This is the highest rating ever received by the school system.
- The general obligation debt limit for the DeSoto Parish School Board stands at approximately \$243.2 million as of June 30, 2013, which is restricted by Louisiana statutes to 35% of its total assessed valuation. This is only 13.6% of the total debt that could be issued.

For additional information regarding capital assets and long-term debt, see Note 5 and Note 11 in the Notes to the Basic Financial Statements section.

Economic Factors and Next Year's Budgets and Rates

Listed below are several economic factors that will alter the original budget for FY 2013-14.

- The original budget that was approved in June 2013 used a budget estimate for the Minimum Foundation Program (MFP) revenues at approximately \$10.1 million. Approximately \$523,000 additional monies can be budgeted because of a ruling in May 2013 from the Louisiana State Supreme Court.
- Information from the DeSoto Parish Tax Assessor shows the taxable values of property tax assessments will increase 5.82% from \$655.1 million to \$695.1 million. The land use of the parish is balanced among agriculture, mining, timber, natural gas exploration, and manufacturing. In fact, the top 10 principal taxpayers represent 50.0% of the total taxable value. Because of this increased assessment, total ad valorem collections are expected to increase. General Fund revenues approximately \$1.9 million.
- The original budget for Sales & Use Tax revenues showed total collections for all funds at \$23.0 million. Original budget estimates anticipated monthly collections to be \$1.9 million dollars after looking at the five-month trend that began December 2012. A four-month trend since May 2013 shows collections have declined to an average of \$1.7 million per month. If collections do not improve, Sales Tax Revenues will have to be reduced \$2.4 million.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2013

- As shown in the chart below, after consideration of the above mentioned revenues, the General Fund is projected to have a deficit of approximately \$2.4 million at the end of fiscal year 2013-14. The General Fund – Ending Fund Balance represents 15.3% of the total General Fund expenditures which meets the 15% minimum balance required by School Board Policy to keep the financial condition of the school system stable.

General Fund Budget Summary FY 2013-14	
Revenues	\$ 60,738,638
Expenditures	<u>63,542,013</u>
Other Sources of Funds	575,017
Other Uses of Funds	<u>(193,504)</u>
Net Changes in Fund Balance	(2,421,862)
Beginning Fund Balance	\$ 12,156,053
Ending Fund Balance	\$ 9,734,191

Requests for Information

This financial report is designed to provide a general overview of the DeSoto Parish School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Business Services of the DeSoto Parish School Board, 201 Crosby Street, Mansfield, LA 71052-2637, or by calling (318) 872-2836.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

BASIC FINANCIAL STATEMENTS:

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

DESOTO PARISH SCHOOL BOARD

**STATEMENT OF NET POSITION
June 30, 2013**

Statement A

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 44,382,562
Investments	18,942,305
Receivables	6,297,227
Inventory	46,550
OPEB asset	11,781,326
Capital assets	
Land and construction in progress	4,049,886
Capital assets, net of depreciation	<u>96,666,844</u>
TOTAL ASSETS	<u>182,166,700</u>
LIABILITIES	
Accounts, salaries and other payables	7,379,888
Unearned revenues	3
Interest payable	480,960
Long-term liabilities	
Due within one year	3,438,281
Due in more than one year	<u>53,684,744</u>
TOTAL LIABILITIES	<u>64,983,876</u>
NET POSITION	
Net investment in capital assets	59,346,917
Restricted for	
Maintenance	2,647,875
School Food Service	832,452
Unrestricted	<u>54,355,580</u>
TOTAL NET POSITION	<u><u>\$ 117,182,824</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities</i>				
Instruction				
Regular programs	\$ 32,487,281	\$ -	\$ 30,649	\$ (32,456,632)
Special programs	20,320,465	-	7,372,046	(12,948,419)
Support services				
Pupil support services	4,650,927	-	147,015	(4,503,912)
Instructional staff support	4,371,112	-	147,700	(4,223,412)
General administration	3,505,678	-	-	(3,505,678)
School administration	4,786,840	-	-	(4,786,840)
Business services	1,453,055	-	3,477	(1,449,578)
Plant services	7,819,247	-	-	(7,819,247)
Student transportation services	5,815,375	-	11,363	(5,804,012)
Central services	381,144	-	-	(381,144)
Food services	5,429,639	331,244	1,917,331	(3,181,064)
Interest on long-term debt	1,899,177	-	-	(1,899,177)
Total Governmental Activities	\$ 92,919,940	\$ 331,244	\$ 9,629,581	\$ (82,959,115)
<i>General revenues</i>				
Taxes				
Ad valorem taxes levied for general purposes				38,352,971
Ad valorem taxes levied for debt service purposes				1,739,632
Sales taxes levied for salaries, benefits and general purposes				21,954,012
Grants and contributions not restricted to specific programs				
State revenue sharing				321,466
Minimum Foundation Program				10,823,969
Interest and investment earnings				293,366
Miscellaneous				815,105
Total general revenues				74,300,521
Changes in net position				(8,658,594)
Net position - beginning				125,841,418
Net position - ending				\$ 117,182,824

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

**DeSoto Parish School Board
Non Major Special Revenue Funds**



DESOTO PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2013

	GENERAL	SCHOOL DISTRICT NO 2 CAPITAL PROJECT	PARISHWIDE CAPITAL PROJECT
ASSETS			
Cash and cash equivalents	\$ 2,625,592	\$ 16,549,879	\$ 4,247,143
Investments	5,646,771	-	11,251,983
Receivables	3,282,326	-	-
Interfund receivables	5,212,782	-	-
Inventory	-	-	-
TOTAL ASSETS	16,767,471	16,549,879	15,499,126
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts, salaries and other payables	4,610,269	1,408,655	237
Interfund payables	1,150	-	3,299,571
Deferred revenues	-	-	-
Total Liabilities	4,611,419	1,408,655	3,299,808
Fund Balances			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	8,332,985	15,141,224	12,199,318
Unassigned	3,823,067	-	-
Total Fund Balances	12,156,052	15,141,224	12,199,318
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,767,471	\$ 16,549,879	\$ 15,499,126

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Statement C

NONMAJOR			
GOVERNMENTAL		TOTAL	
\$	14,413,861	\$	37,836,475
	1,102,423		18,001,177
	1,789,675		5,072,001
	1,150		5,213,932
	46,550		46,550
<u>17,353,659</u>		<u>66,170,135</u>	
	1,219,087		7,238,248
	1,913,211		5,213,932
	3		3
<u>3,132,301</u>		<u>12,452,183</u>	
	46,550		46,550
	3,433,777		3,433,777
	10,741,031		46,414,558
	-		3,823,067
<u>14,221,358</u>		<u>53,717,952</u>	
\$	17,353,659	\$	66,170,135

DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2013**

Statement D

Total fund balances - governmental funds **\$ 53,717,952**

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets 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.

Costs of capital assets	140,497,074	
Depreciation expense to date	<u>(39,780,344)</u>	
		100,716,730

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, 2013 are

Long-term liabilities		
Compensated absences payable	(4,114,387)	
General obligation and tax revenue bonds payable	(49,815,000)	
Premium on bonds	(373,091)	
Interest payable	<u>(480,960)</u>	
		(54,783,438)

The OPEB asset is a long term asset that is not reported in the fund financial statements. All assets are reported in the government wide financial statements 11,781,326

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities 5,750,254

Net Position - Governmental Activities **\$ 117,182,824**

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana



DESOTO PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

	GENERAL	SCHOOL DISTRICT NO 2 CAPITAL PROJECT	PARISHWIDE CAPITAL PROJECT
REVENUES			
Local sources			
Taxes			
Ad valorem	\$ 32,817,569	\$ -	\$ -
Sales and use	14,288,351	493,787	518,409
Interest earnings	61,938	63,282	90,361
Food services	-	-	-
Other	584,753	-	-
State sources			
Equalization	10,481,592	-	-
Other	901,451	-	-
Federal sources	112,957	-	-
Total Revenues	59,248,611	557,069	608,770
EXPENDITURES			
Current			
Instruction			
Regular programs	28,390,658	-	-
Special programs	13,143,050	-	-
Support services			
Pupil support services	4,438,085	-	-
Instructional staff support	4,032,965	-	-
General administration	2,407,794	14,945	7,107
School administration	4,443,840	-	-
Business services	1,352,602	-	-
Plant services	4,186,013	-	-
Student transportation services	4,267,603	-	-
Central services	378,422	-	-
Food services	-	-	-
Capital outlay	-	5,456,069	165,949
Debt service			
Principal retirement	-	-	-
Interest and bank charges	-	-	-
Total Expenditures	67,041,032	5,471,014	173,056
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (7,792,421)	\$ (4,913,945)	\$ 435,714

Statement E

NONMAJOR		
GOVERNMENTAL	TOTAL	
<hr/>		
\$ 7,275,034	\$ 40,092,603	
6,653,465	21,954,012	
63,925	279,506	
331,244	331,244	
271,089	855,842	
342,377	10,823,969	
46,353	947,804	
8,890,286	9,003,243	
<hr/>		
23,873,773	84,288,223	
<hr/>		
-	28,390,658	
6,679,839	19,822,889	
136,725	4,574,810	
137,362	4,170,327	
754,143	3,183,989	
-	4,443,840	
7,835	1,360,437	
3,263,269	7,449,282	
1,483,147	5,750,750	
-	378,422	
4,827,576	4,827,576	
1,785,142	7,407,160	
2,455,000	2,455,000	
1,913,579	1,913,579	
<hr/>		
23,443,617	96,128,719	
<hr/>		
\$ 430,156	\$ (11,840,496)	
<hr/>		

(CONTINUED)

DESOTO PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

	<u>GENERAL</u>	<u>SCHOOL DISTRICT NO 2 CAPITAL PROJECT</u>	<u>PARISHWIDE CAPITAL PROJECT</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 8,738,070	\$ -	\$ -
Transfers out	(900,000)	-	(8,250,000)
Issuance of debt	-	-	-
Payment to escrow agent	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	7,838,070	-	(8,250,000)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	45,649	(4,913,945)	(7,814,286)
	<hr/>	<hr/>	<hr/>
FUND BALANCES - BEGINNING	12,110,403	20,055,169	20,013,604
	<hr/>	<hr/>	<hr/>
FUND BALANCES - ENDING	\$ 12,156,052	\$ 15,141,224	\$ 12,199,318
	<hr/>	<hr/>	<hr/>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Statement E

NONMAJOR GOVERNMENTAL	TOTAL
<u> </u>	<u> </u>
\$ 908,050	\$ 9,646,120
(496,120)	(9,646,120)
3,585,000	3,585,000
<u>(3,621,570)</u>	<u>(3,621,570)</u>
 375,360	 (36,570)
 805,516	 (11,877,066)
 <u>13,415,842</u>	 <u>65,595,018</u>
 <u>\$ 14,221,358</u>	 <u>\$ 53,717,952</u>

(CONCLUDED)

DESOTO PARISH SCHOOL BOARD

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, 2013

Statement F

Total net change in fund balances - governmental funds	\$	(11,877,066)
--	----	--------------

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 for assets over the capitalization threshold. This is the amount by which capital outlay exceeds depreciation in the period.

Capital outlay additions	7,524,193	
Depreciation expense	<u>(4,279,293)</u>	3,244,900

Loss on disposal of capital assets reduces net position in the government wide statements	(4,167)
---	---------

The issuance of long-term debt provides financial resources of governmental funds. For the government wide statements bond proceeds and premiums are recorded as long-term debt	(3,585,000)
---	-------------

The issuance of long-term debt at a premium provides financial resources of governmental funds. For the government wide statements this premium is amortized over the life of the bonds	20,053
---	--------

The issuance of long-term debt provides financial resources of 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.	
Repayment of bond principal	5,770,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due	14,402
--	--------

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - 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). This year, vacation and sick time used (\$1,018,281) exceeded the amounts earned \$325,049 by \$693,232	693,232
--	---------

In the Statement of Activities, certain operating expenses-other post employment 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)	(4,065,225)
--	-------------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities	<u>1,130,277</u>
---	------------------

Change in net position of governmental activities	<u>\$ (8,658,594)</u>
--	------------------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Statement of Net Position

June 30, 2013

Statement G

ASSETS

Current assets

Cash and cash equivalents

\$ 6,546,087

Investments

941,128

Receivables

1,225,226

TOTAL CURRENT ASSETS

8,712,441

LIABILITIES

Current liabilities

Accounts payable

141,640

Claims payable

150,000

TOTAL CURRENT LIABILITIES

291,640

Noncurrent liabilities

Medical claims payable

2,304,212

Dental claims payable

130,784

Workers' compensation payable

235,551

TOTAL NON CURRENT LIABILITIES

2,670,547

TOTAL LIABILITIES

2,962,187

NET POSITION

Unrestricted

\$ 5,750,254

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

**Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended June 30, 2013**

Statement H

OPERATING REVENUE

Medical premiums	\$ 13,492,853
Dental premiums	670,120
Workers' compensation premiums	250,000
Medicare subsidy	<u>187,275</u>

Total operating revenues	<u>14,600,248</u>
--------------------------	-------------------

OPERATING EXPENSES

Claims	10,694,751
Administration	613,506
Insurance	<u>2,175,574</u>

Total operating expenses	<u>13,483,831</u>
--------------------------	-------------------

Operating income (loss)	1,116,417
-------------------------	-----------

NONOPERATING REVENUES

Earnings on investments	<u>13,860</u>
-------------------------	---------------

Changes in net position	1,130,277
-------------------------	-----------

NET POSITION - BEGINNING	<u>4,619,977</u>
--------------------------	------------------

NET POSITION - ENDING	<u><u>\$ 5,750,254</u></u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD

PROPREITARY FUND TYPE - INTERNAL SERVICE FUNDS

**Statement of Cash Flows
For the Year Ended June 30, 2013**

Statement I

CASH FLOWS FROM OPERATING ACTIVITIES

Premiums received	\$ 13,399,386
Administrative fees paid	(596,777)
Premiums paid	(2,175,574)
Claims paid	<u>(10,383,281)</u>

Net cash provided (used) by operating activities	<u>243,754</u>
--	----------------

CASH FLOW FROM INVESTING ACTIVITIES

Earnings on investments	13,860
Purchase of investments	<u>44,119</u>

Net cash provided (used) for investing activities	<u>57,979</u>
---	---------------

Net increase (decrease) in cash and cash equivalents	301,733
--	---------

CASH AND CASH EQUIVALENTS - BEGINNING	<u>6,244,354</u>
---------------------------------------	------------------

CASH AND CASH EQUIVALENTS - ENDING	<u><u>6,546,087</u></u>
------------------------------------	-------------------------

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	1,116,417
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
(Increase) decrease in receivables	(1,200,862)
Increase (decrease) in claims payable	<u>328,199</u>

Net cash provided (used) for operating activities	<u><u>\$ 243,754</u></u>
---	--------------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2013**

Statement J

	OTHER POST EMPLOYMENT BENEFITS TRUST FUND	AGENCY FUND
ASSETS		
Cash and cash equivalents	\$ 4,098,206	\$ 505,956
Investments		
Corporate bonds	33,209,582	-
U S Government securities	7,882,868	-
Receivables	349,749	-
Other receivables	-	-
	<hr/>	<hr/>
Total assets	45,540,405	505,956
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	-	-
Deposits due others	-	505,956
	<hr/>	<hr/>
Total liabilities	-	505,956
	<hr/>	<hr/>
NET POSTION		
Assets held in trust for OPEB benefits	<u>\$ 45,540,405</u>	<u>\$ -</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DESOTO PARISH SCHOOL BOARD
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
For the Year Ended June 30, 2013

Statement K

**OTHER POST
EMPLOYMENT
BENEFITS
TRUST FUND**

ADDITIONS

Employer contributions	\$ 1,420,616
Earnings on investments	<u>343,867</u>
Total additions	<u>1,764,483</u>

DEDUCTIONS

General and administrative expenses	<u>169,890</u>
Change in net position	1,594,593

Net position - beginning	<u>43,945,812</u>
Net position - ending	<u><u>\$ 45,540,405</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

	<u>Page</u>
INDEX	
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	69
A REPORTING ENTITY	69
B FUNDS	69
Governmental Funds	69
Proprietary Funds	70
Fiduciary Funds	70
C MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	70
Government-Wide Financial Statements (GWFS)	70
Fund Financial Statements (FFS)	71
Governmental Funds	71
Proprietary Fund	72
Fiduciary Fund	72
D BUDGETS	72
E CASH AND CASH EQUIVALENTS	72
F INVESTMENTS	73
G SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	73
H ELIMINATION AND RECLASSIFICATION	73
I INVENTORIES	73
J PREPAIDS	73
K CAPITAL ASSET	73
L DEFERRED REVENUES	74
M COMPENSATED ABSENCES	74
N LONG-TERM LIABILITIES	74
O RESTRICTED NET POSITION	75
P FUND EQUITY OF FUND FINANCIAL STATEMENTS	75
Q INTERFUND ACTIVITIES	75
R SALES TAXES	75
S USE OF ESTIMATES	76
NOTE 2 - LEVIED TAXES	76
NOTE 3 - DEPOSITS AND INVESTMENTS	77
NOTE 4 - RECEIVABLES	79
NOTE 5 - CAPITAL ASSETS	80
NOTE 6 - RETIREMENT SYSTEMS	81
NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS	82
NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES	85
NOTE 9 - COMPENSATED ABSENCES	85
NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS	85
NOTE 11 - LONG-TERM LIABILITIES	85
NOTE 12 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)	87
NOTE 13 - INTERFUND TRANSFERS (FFS LEVEL ONLY)	87
NOTE 14 - ENCUMBRANCES (FFS LEVEL ONLY)	88
NOTE 15 - RISK MANAGEMENT	88
NOTE 16 - LITIGATION AND CLAIMS	89
NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES	89
NOTE 18 - ECONOMIC DEPENDENCY	90
NOTE 19 - JOINTLY GOVERNED ORGANIZATION	90
NOTE 20 - NEW FUNDS	90
NOTE 21 - NEW GASB STANDARDS	90
NOTE 22 - FUND BALANCE CLASSIFICATION DETAILS	91

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: The accompanying financial statements of the DeSoto 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. REPORTING ENTITY: The DeSoto Parish School Board was created by Louisiana Revised Statute LSA-R S 17:51 to provide public education for the children within DeSoto Parish. The School Board is authorized by LSA-R S 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eleven members who are elected from eleven districts for concurrent terms of four years.

The School Board operates eleven schools within the parish with a total enrollment exceeding 5,200 pupils. In conjunction with the regular educational programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS: The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary.

Governmental Funds: Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund - the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

School District No. 2 - a capital project fund. It accounts for financial resources to acquire, construct, and improve public school facilities in School District No. 2.

Parishwide - a capital project fund. It accounts for financial resources to acquire, construct, and improve public school facilities in the parish.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on measurement, which, together with the maintenance of equity is an important financial indicator. The School Board reports the following proprietary fund:

Internal Service Fund - used to account for medical, dental and workers' compensation insurance for employees of the School Board on a cost reimbursement basis.

Fiduciary Funds: Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments.

Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School Activities Fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Pension (and Other Post Employment Benefits) Trust Funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contributions plans, other postemployment benefit plans, or other employee benefit plans.

Other Post Employment Benefits Trust Fund - accounts for the assets held in an irrevocable trust for payment of retirees' health insurance premiums.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

Government-Wide Financial Statements (GWFS): The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared 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, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Internal activities: The employees' medical, dental and workers' compensation insurance internal service funds provide services to the governmental funds. Accordingly, the employees' medical, dental and workers' compensation insurance funds activity was rolled up into the governmental activities. Pursuant to GASB Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. The interfund services provided and used are not eliminated in the process of consolidation.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

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 cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

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 identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements (FFS):

Governmental Funds: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable and are remitted on a monthly basis to the School Board.

Sales and use taxes are recorded in the month collected by the vendor.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Expenditures

Salaries are recorded as paid. Unpaid salaries for nine-month employees who are paid over twelve months are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other financing sources (uses) transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Fund: Proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet.

Operating revenues and expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund: The agency fund and trust fund are custodial in nature and do not present results of operations or have a measurement focus. Agency and trust funds are accounted for using the accrual basis of accounting. The trust fund uses the economic resources measurement focus.

D. BUDGETS:

General Budget Policies State statute requires budgets to be adopted for the general fund and all special revenue funds. In May the Superintendent submits to the Board proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain citizens' comments. The operating budgets include proposed expenditures and the means of financing them. Appropriations (unexpected budget balances) lapse at year end.

Formal budget integration (within accounting records) is employed as a management control device. All budgets are controlled at the departmental or project level. School Board policy prescribes that the level of budgetary control is at the fund level for all funds.

Encumbrances Encumbrance accounting is employed in governmental funds. Appropriations lapse at year end.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. The effect of budget amendments during the year for the general fund was to decrease net revenues by \$13,551,051 and decrease net expenditures by \$5,299,489.

E. CASH AND CASH EQUIVALENTS: Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits,

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana

F. INVESTMENTS: Investments are limited by R S 33 2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments, however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. Money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost.

Definitions

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

H. ELIMINATION AND RECLASSIFICATION: In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

I. INVENTORIES: Inventories of the governmental fund type are accounted for using the consumption method where expenditures are recognized as inventory is used.

Inventories consist of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues and expenditures by the School Food Service Fund when consumed. Any material commodities on hand at year-end are recorded as inventory. All purchased inventory items are valued at cost (first-in, first-out) using the consumption method and commodities are assigned values based on information provided by the United States Department of Agriculture.

J. PREPAIDS: Prepaids of the governmental fund type are accounted for using the purchases method.

K. CAPITAL ASSETS: Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of the following: \$1 (land and construction in progress), \$5,000 (equipment and vehicles), \$25,000 (land improvements), \$50,000 (building and building improvements), and \$250,000 for intangibles for capitalizing capital assets.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Buildings have been assigned a salvage value of 1% to 8%. Vehicles are assigned a salvage value of 10% to 15%. Other capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight line depreciation is used based on the following estimated useful lives:

Buildings	25-45 years
Land improvements	10-25 years
Building improvements	10-20 years
Furniture and equipment	5-15 years
Vehicles	5-8 years

L. DEFERRED REVENUES: The School Board reports deferred revenues on its statement of net position and fund balance sheet. These deferred revenues arise when the School Board receives grant funds for expenditure-driven grants before the qualifying expenditure has occurred. In subsequent periods when the expenditure occurs, the liability for deferred revenue is removed and the revenue is recognized.

M. COMPENSATED ABSENCES: Compensated absences include salary related payments. All School Board employees earn from five to twenty days of vacation leave each year depending upon length of service. Unused vacation leave as of June 30 can be accumulated and carried forward to the succeeding year, up to a maximum of sixty days.

All School Board employees, except eleven and twelve-month employees, earn ten days of sick leave each year. Twelve-month School Board employees earn twelve days of sick leave each year and eleven-month employees earn eleven days per year. Non-twelve-month employees may use two days of sick leave each year for personal business. Sick leave may be accumulated without limitation. Upon retirement or death, a maximum of twenty-five days accumulated sick leave and up to 60 days of annual leave may be paid to the employee or the employee's estate at the employee's current rate of pay. Under the various pension funds, the total accumulated sick leave, including the twenty-five days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Teachers' Retirement System of Louisiana and for sick leave earned under the Louisiana School Employees' Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the retirement benefit computation as earned service.

In the FFS, the matured liability for compensated absences, which includes salary and salary related payments, is reported in the fund. The total liability is reported in the GWFS.

N. LONG-TERM LIABILITIES: Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

O. RESTRICTED NET POSITION: For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or,

Imposed by law through constitutional provisions or enabling legislation. Restricted net position reported in the statement of net position is restricted through enabling legislation.

P. FUND EQUITY OF FUND FINANCIAL STATEMENTS: GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of a resolution passed by the School Board committing the funds.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. The School Board does not presently have a policy regarding assigned fund balance.

Unassigned: Fund balance that is the residual classification for the general fund.

Minimum fund balance: The School Board has a policy to maintain a minimum fund balance in the general fund of 15% of total expenditures.

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Q. INTERFUND ACTIVITIES: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

R. SALES TAXES: On March 25, 1968, with no expiration date, the voters of DeSoto Parish approved a one cent sales and use tax to be used for salaries of teachers and other personnel and for the operation of public elementary and secondary schools.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

On May 3, 1986, with no expiration date, the voters of DeSoto Parish approved a one-half cent sales and use tax to be used to supplement salaries of School Board employees

On April 12, 2001, with no expiration date, the voters of DeSoto Parish approved a one-half cent sales and use tax to be used for salaries and benefits of teachers and other School Board employees and for the operation of public schools in DeSoto Parish

On October 4, 2008, with no expiration date, the voters of DeSoto Parish approved the continuation and levying of a one-half cent sales and use tax from the scheduled expiration date of the sales and use tax approved by voters in 1986 (June 30, 2011) to be rededicated and used for the purpose of supporting, operating and maintaining the public school system and school facilities including but not limited to air conditioning school buildings and making capital improvements

S. USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

NOTE 2 - LEVIED TAXES: The School Board levies taxes on real and business personal property located within DeSoto Parish's boundaries Property taxes are levied by the School Board on property values assessed by the DeSoto Parish Tax Assessor and approved by the State Tax Commission The DeSoto Parish Sheriff's Office bills and collects property taxes for the School Board Collections are remitted to the School Board monthly

Property Tax Calendar

Assessment date	January, 2012
Levy date	October, 2012
Tax bills mailed	November, 2012
Due date	December 31, 2012
Lien date	January 3, 2013
Tax sale date, 2012 delinquent property	May, 2013

Assessed values are established by the DeSoto Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years The last revaluation was completed for the roll of January 1, 2010 Total assessed value was \$694,943,220 in calendar year 2012 Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes This homestead exemption was \$39,794,273 of the assessed value in calendar year 2012

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

The tax roll is prepared by the tax assessor and approved by the State Tax Commission in November of each year. The amount of 2012 property taxes to be collected occurs in December 2012 and January and February 2013. All property taxes are recorded in the general, special revenue, and debt service funds. The School Board considers the lien date (January 3, 2013) as the date an enforceable legal claim occurs for 2012 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted). Accordingly, the 2012 property taxes are budgeted in the 2012-13 fiscal year of the School Board.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

<u>Parish-wide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Constitutional—parishwide	4.56	5.32	Not applicable
Renewable—parishwide	44.00	51.34	2016
Debt Service—separate school districts			
District No. 2—North DeSoto	22.00	3.00	2024
District No. 3—Stanley	23.00	0	2013
District No. 4—Mansfield	10.25	5.00	2031

NOTE 3 - DEPOSITS AND INVESTMENTS:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Governmental, Proprietary, and Agency Funds

Custodial credit risk At year-end, the School Board's carrying amount of deposits was \$57,172,718 (including certificates of deposits of \$12,375,080) and the bank balance was \$63,338,217. These deposits are reported as follows: Statement A-cash and cash equivalents, \$44,382,562; Statement A-investments, \$12,375,080; Statement J-cash and cash equivalents, \$505,956. Of the bank balance, \$1,500,000 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy regarding custodial credit risk is that funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by La R S 39 1225 as amended to adequately protect the funds of the School Board.

The School Board has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2013. Fair value was determined by obtaining "quoted" year-end market prices.

As of June 30, 2013 the School Board's investments are managed by an investment management company. This account had a fair value of \$6,567,225 as of June 30, 2013. The U S government securities are rated AA+ according to Standard and Poor's. The debt investments represent 100% of the School Board's investments as of this date.

Description of investment	Fair Value	Maturity	
		1 - 3 Years	3 - 5 Years
U S government securities	\$ 6,567,225	\$ 4,790,117	\$ 1,777,108

Interest Rate Risk The School Board's policy does not address interest rate risk.

Credit Rate Risk The School Board's policy does not address credit rate risk.

Other Post Employment Benefits Trust Fund

The School Board follows the state law regarding investments in post employment benefits funds by political subdivisions, R S 33 5161 and R S 33 5162. In summary, funds may be invested in direct U S Treasury Obligations, debt which is issued or guaranteed by federal agencies and backed by the full faith and credit of the U S, direct security repurchase agreements of any federal book-entry only securities, debt issued by Corporations of the U S which are rated Baa or better by Moody's, Inc. or BBB or better by Fitch or Standard and Poor's Corporation, money market mutual funds or Louisiana Asset Management Pool.

Interest Rate Risk The state law does not address specific policies for managing interest rate risk. The following table provides information about interest rate risk associated with the other post employment benefits trust fund.

Description of investment	Fair Value	Maturity			
		Less than 1 Year	1 - 3 Years	3 - 5 Years	5 - 7 Years
U S government securities	\$ 7,882,868	\$ -	\$ 1,997,787	\$ 3,971,267	\$ 1,913,814
Corporate bonds	33,209,582	6,563,311	14,475,345	7,945,215	4,225,711
Total	<u>\$ 41,092,450</u>	<u>\$ 6,563,311</u>	<u>\$ 16,473,132</u>	<u>\$ 11,916,482</u>	<u>\$ 6,139,525</u>

Custodial Credit Risk The School Board's policy regarding custodial credit risk is that funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by La R S 39 1225 as amended to adequately protect the funds of the School Board. Cash of \$4,098,206 is held in a trust account.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Credit Rate Risk The credit risk of the other post employment benefits trust fund is managed by restricting investments to those authorized by R S 33.5162

Description of investment	Fair Value	Rating by Standard & Poor's			
		AAA	AA	A	BBB
U S government securities	\$ 7,882,868	\$ -	\$ 7,882,868	\$ -	\$ -
Corporate bonds	33,209,582	1,021,486	916,127	15,548,000	15,723,969
Total	\$ 41,092,450	\$ 1,021,486	\$ 8,798,995	\$ 15,548,000	\$ 15,723,969

Concentration of Credit Risk R S 33 5162 provides that all fixed income investments shall be appropriately diversified by maturity, security, sector, and credit quality At June 30, 2013, no more than 5 percent of the other post employment benefits trust fund's total investments were investments in any single issuer

NOTE 4 - RECEIVABLES: The receivables at June 30, 2013 are as follows

	Accounts Receivable		Intergovernmental - grants		Other	Total
	Ad Valorem Tax	Sales Tax	Federal	State		
General	\$ 11,907	\$ 3,119,788	\$ 7,856	\$ 117,520	\$ 25,255	\$ 3,282,326
Nonmajor Governmental	2,006	285,404	1,472,101	-	30,164	1,789,675
Total Governmental	13,913	3,405,192	1,479,957	117,520	55,419	5,072,001
Internal Service Fund	-	-	-	-	1,225,226	1,225,226
Total Receivables	\$ 13,913	\$ 3,405,192	\$ 1,479,957	\$ 117,520	\$ 1,280,645	\$ 6,297,227

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 5 - CAPITAL ASSETS: Capital assets balances and activity for the year ended June 30, 2013, are as follows

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities				
Nondepreciable capital assets				
Land	\$ 2,424,129	\$ -	\$ -	\$ 2,424,129
Construction in progress	9,593,266	7,407,160	15,374,669	1,625,757
Total nondepreciable capital assets	<u>12,017,395</u>	<u>7,407,160</u>	<u>15,374,669</u>	<u>4,049,886</u>
Depreciable Capital Assets				
Buildings	98,236,569	13,662,611	-	111,899,180
Land improvements	11,388,041	1,181,170	-	12,569,211
Furniture and equipment	2,158,956	125,014	5,601	2,278,369
Vehicles	9,177,521	522,907	-	9,700,428
Total depreciable capital assets	<u>120,961,087</u>	<u>15,491,702</u>	<u>5,601</u>	<u>136,447,188</u>
Less accumulated depreciation				
Buildings	26,757,489	2,746,661	(34)	29,504,184
Land improvements	2,904,062	731,423	(16)	3,635,501
Furniture and equipment	926,438	139,525	1,510	1,064,453
Vehicles	4,914,496	661,684	(26)	5,576,206
Total accumulated depreciation	<u>35,502,485</u>	<u>4,279,293</u>	<u>1,434</u>	<u>39,780,344</u>
Governmental activities				
Capital assets, net	<u>\$ 97,475,997</u>	<u>\$ 18,619,569</u>	<u>\$ 15,378,836</u>	<u>\$ 100,716,730</u>

Depreciation expense was charged to governmental activities as follows

Regular programs	\$ 3,487,545
Vocational programs	727
Other instructional programs	2,885
Instructional staff	4,640
School administration	158,524
Business services	7,771
Maintenance of plant	40,631
Pupil transportation	236,704
Food service operations	339,866
Total depreciation expense	<u>\$ 4,279,293</u>

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 6 - RETIREMENT SYSTEMS:

Plan description: Substantially all School Board employees participate in either the Teachers' Retirement System of Louisiana (TRSL) or the Louisiana School Employees' Retirement System (LSERS), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System of Louisiana is divided into two plans – the Teachers' Regular Plan and the Teachers' Plan B. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL), other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally two percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Plan B, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age fifty-five or after ten years of service at age sixty. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRSL and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy: Each system is administered and controlled at the state level, by a separate board of trustees with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan B, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the retirement system by the state of Louisiana.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2013, are as follows

	<u>Employee</u>	<u>Employer</u>
Teachers' Retirement System of Louisiana		
Regular	8.0%	24.5%
Plan B	5.0%	26.6%
Louisiana School Employees' Retirement System	7.5%	30.8%

Total covered payroll of the School Board for TRSL - Regular Plan and LSERS for the year ended June 30, 2013, amounted to \$37,314,975 and \$5,481,939 respectively. Employer contributions for the year ended June 30, 2013, and each of the two preceding years are as follows

<u>Fiscal Year Ended</u>	<u>TRSL</u>	<u>LSERS</u>
June 30, 2011	\$ 8,131,176	\$ 1,386,911
June 30, 2012	10,107,117	1,685,367
June 30, 2013	9,142,383	1,491,935

Employer contributions totaled 100% of annual actuarially required contributions

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. The School Board's OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the self-insured health plan, whose monthly premiums are paid jointly by the employee and the School Board.

Funding Policy - The contribution requirements of plan members and the School Board are established and comply with LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The contribution rates are as follows

<u>Years of Employment</u>	<u>Medical</u>		<u>Dental</u>		<u>Vision</u>	
	% Paid by Retiree	% Paid by School Board	% Paid by Retiree	% Paid by School Board	% Paid by Retiree	% Paid by School Board
Less than 10	80	20	100	0	100	0
10 to 14.99	60	40	75	25	100	0
15 to 19.99	40	60	50	50	100	0
20 or more	15	85	25	75	0	100

*Medical - grandfathering provisions apply to those employees hired before January 1, 2010

*Dental - grandfathering provisions apply to those employees hired before January 1, 2011

*Vision - grandfathering provisions apply to those employees who retired before January 1, 2011

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

For those hired prior to January 1, 2010, the Board pays 100% of the life insurance premium for retired employees with coverage ending at age 99. Employees that retire after January 1, 2010 are eligible for the following life insurance benefits paid based on their years of service working for the School Board when they retire with coverage ending at 80:

<u>Years of Employment</u>	<u>Life Insurance</u>
Less than 20	No insurance
20 to 30	\$5,000
30 or more	\$10,000

The plan does not issue a standalone financial report

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. The total ARC for fiscal year 2013 is \$8,148,791 as set forth below:

Normal Cost	\$ 4,633,172
30-year UAL amortization amount	<u>3,515,619</u>
Annual required contribution (ARC)	<u><u>\$ 8,148,791</u></u>

The following table presents the School Board's OPEB Obligation for fiscal years 2011, 2012 and 2013:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Beginning Net OPEB Obligation July 1	\$ (15,846,551)	\$ (19,872,506)	\$ (15,923,419)
Annual required contribution	8,148,791	10,814,053	10,814,053
Interest on prior year Net OPEB Obligation	(792,328)	(796,171)	(796,171)
Adjustment to ARC	<u>1,030,839</u>	<u>1,035,840</u>	<u>1,035,840</u>
Annual OPEB Cost	8,387,302	11,053,722	11,053,722
Less current year retiree premiums	<u>4,322,077</u>	<u>7,027,767</u>	<u>15,002,809</u>
Funding deficiency (excess)	4,065,225	4,025,955	(3,949,087)
Ending Net OPEB Obligation at June 30	<u><u>\$ (11,781,326)</u></u>	<u><u>\$ (15,846,551)</u></u>	<u><u>\$ (19,872,506)</u></u>

On a pay-as-you-go basis, the School Board contributed 52% of the annual post employment benefit cost during 2013, 63% during 2012, and 136% for 2011.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Funded Status and Funding Progress - The School Board's actuarial accrued liability of \$97,989,594 was partially funded

The funded status of the plan, as determined by an actuary as of July 1, 2012 was as follows

	2013	2012	2011
Actuarial accrued liability (AAL)	\$ 97,989,594	\$ 113,849,851	\$ 113,849,851
Actuarial value of plan assets	45,540,405	43,074,701	38,259,973
Unfunded actuarial accrued liability (UAAL)	52,449,189	70,775,150	75,589,878
Funded ratio (actuarial value of plan assets/AAL)	46 47%	37 83%	33 61%
Covered payroll	45,801,512	52,830,082	48,962,463
UAAL as a percentage of covered payroll	114 51%	133 97%	154 38%

The Schedule of Funding Progress and Schedule of Employer Contributions required supplemental information follows the notes. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The July 1, 2012 actuarial valuation used the entry age normal cost method. The actuarial assumptions included a 5.0% investment rate of return and initial actual healthcare cost trend rate of 6.2% scaling down to ultimate rates of 4.7% per year. The RP-2000 Static Health Mortality Table was used in making actuarial assumptions. Withdrawal rates for employees ranged from 7% at age 25 to 2% at age 50. Disability rates ranged from .01% at age 25 to 1.3% at age 55. Retirement rates ranged from 5% at age 38 to 100% at age 72. The inflation rate, which is a subset of the trend rate, was assumed to be 2.75%. The remaining amortization period at June 30, 2013, was twenty-five years. A 30-year open amortization period is used. The actuarial value of plan assets has increased from 9.38% of actuarial accrued liability in 2009 to 46.12% in 2013.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES: The payables at June 30, 2013, are as follows

	Salaries	Accounts	Total
General	\$ 4,422,104	\$ 188,165	\$ 4,610,269
School District No 2 CP	-	1,408,655	1,408,655
Parishwide Capital Project	-	237	237
Nonmajor Governmental	941,570	277,517	1,219,087
Internal Service	-	141,640	141,640
Total Governmental	<u>\$ 5,363,674</u>	<u>\$2,016,214</u>	<u>\$ 7,379,888</u>

NOTE 9 - COMPENSATED ABSENCES: At June 30, 2013, employees of the School Board have accumulated and vested \$4,114,387 of employee leave benefits. These benefits were described in Note 1 (L) and were computed in accordance with GASB Codification Section C60.

NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY): A summary of changes in agency fund deposits due others follows

	Balance at Beginning of year	Additions	Deletions	Balance at Ending of year
School Activities	<u>\$ 521,502</u>	<u>\$ 1,928,230</u>	<u>\$ 1,943,776</u>	<u>\$ 505,956</u>

NOTE 11 - LONG-TERM LIABILITIES: The following is a summary of the long-term liabilities transactions and balances for the year ended June 30, 2013

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonded debt and tax revenue bonds	\$ 52,000,000	\$ 3,585,000	\$ 5,770,000	\$ 49,815,000	\$ 2,270,000
Premium on bonds	393,144	-	20,053	373,091	-
Other Liabilities					
Claims	2,509,077	10,687,971	10,376,501	2,820,547	150,000
Compensated absences	4,807,619	325,049	1,018,281	4,114,387	1,018,281
Long-term liabilities	<u>\$ 59,709,840</u>	<u>\$ 14,598,020</u>	<u>\$ 17,184,835</u>	<u>\$ 57,123,025</u>	<u>\$ 3,438,281</u>

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, 97% was paid by the general fund and the remaining 3% by other governmental funds. The claims liability will be liquidated by the internal service funds.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Long term debt at June 30, 2013 is comprised of the following issues

	Original Amount	Interest Rates	Final Payment	Interest to Maturity	Principal Outstanding
DISTRICT 2					
December 1, 2004	\$ 7,000,000	3 9-5 5	2014	\$ 16,920	\$ 360,000
March 1, 2005	5,000,000	3 9-6 0	2025	36,250	480,000
December 1, 2005	1,650,000	1 0-4 5	2017	78,754	720,000
May 1, 2010	9,000,000	3 91	2030	3,309,218	8,155,000
Limited Tax Revenue Bonds					
May 1, 2012	15,000,000	3 0-3 7	2032	5,226,274	14,485,000
Sales Tax Bonds					
May 1, 2012 Refunding bonds	5,190,000	2 59	2024	896,139	5,140,000
April 5, 2013 Refunding bonds	3,585,000	0 5-2 35	2025	508,785	3,585,000
DISTRICT 3					
September 1, 1994	300,000	6 0	2013	749	25,000
DISTRICT 4					
September 1, 2007	10,000,000	4 0-6 0	2032	4,316,093	8,790,000
January 1, 2008	9,000,000	4 0-6 0	2032	3,869,575	8,075,000
Total				<u>\$ 18,258,757</u>	<u>\$ 49,815,000</u>

Bonds were issued by the respective school districts to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishings

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and by sales tax collections At June 30, 2013, the School Board had accumulated \$3,566,236 in the debt service funds for future debt requirements The bonds are due as follows

Year Ending June 30,	Principal Payments	Interest Payments	Total
2014	\$ 2,270,000	\$ 1,772,189	\$ 4,042,189
2015	2,355,000	1,662,134	4,017,134
2016	2,465,000	1,586,142	4,051,142
2017	2,535,000	1,503,737	4,038,737
2018	2,470,000	1,417,292	3,887,292
2019-2023	14,025,000	5,850,415	19,875,415
2024-2028	13,400,000	3,482,189	16,882,189
2029-2032	10,295,000	984,659	11,279,659
Total	<u>\$ 49,815,000</u>	<u>\$ 18,258,757</u>	<u>\$ 68,073,757</u>

In accordance with Louisiana Revised Statute 39 562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property At June 30, 2013, the statutory limit is \$243,230,127 and outstanding net bonded debt totals \$33,180,022

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

District 2 issued \$3,585,000 in general obligation bonds to provide resources for the redemption of \$3,315,000 in general obligation bonds. The District 2 refunding resulted in a reduction of \$349,593 in future debt service payments over the next 12 years for an economic benefit of \$229,945.

The School Board defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. At June 30, 2013, \$3,315,000 of bonds outstanding are considered defeased.

NOTE 12 - INTERFUND ASSETS/ LIABILITIES (FFS LEVEL ONLY): Assets/Liabilities at June 30, 2013 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
General	Nonmajor Governmental	\$ 5,212,782
Nonmajor Governmental	General	1,150
		<u>\$ 5,213,932</u>

The purpose of the interfund assets/liabilities was to cover current-year expenditures on cost reimbursement programs until the reimbursement transactions are processed.

NOTE 13 - INTERFUND TRANSFERS (FFS LEVEL ONLY): Transfers for the year ended June 30, 2013, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General	\$ 8,738,070	\$ 900,000
Parishwide Capital Project	-	8,250,000
Nonmajor Governmental	908,050	496,120
Totals	<u>\$ 9,646,120</u>	<u>\$ 9,646,120</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 14 - ENCUMBRANCES (FFS LEVEL ONLY): Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are carried forward to the next year. At June 30, 2013, the School Board had entered into purchase orders and commitments as follows:

Capital Project	
<u>Fund</u>	<u>Amount</u>
School District No. 1	\$ 4,118
School District No. 2	3,028,701
School District No. 3	6,565
School District No. 4	1,462
Parish wide	45,046
Total	<u>\$ 3,085,892</u>

NOTE 15 - RISK MANAGEMENT: The School Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred, and no claims exceeded the School Board's insurance coverage for each of the past three years.

The School Board is partially self-insured for medical, dental and workers' compensation insurance coverage. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company under its medical plan for individual claims in excess of \$225,000 and for total annual claims in excess of \$11,859,017. The School Board maintains stop-loss coverage with an insurance company under its workers' compensation plan for individual claims in excess of \$250,000 and for total claims that exceed \$1,000,000 in a three year period.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the internal service fund. This liability is the School Board's best estimate based on available information. Changes in the reported liability for the last three years resulted from the following:

Worker's Compensation

	Beginning of Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	End of Year Liability
2010-2011	\$ 217,358	\$ (33,484)	\$ 42,279	\$ 141,595
2011-2012	141,595	108,811	93,233	157,173
2012-2013	157,173	114,896	36,518	235,551

Health & Dental Insurance

	Beginning of Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	End of Year Liability
2010-2011	\$ 2,184,658	\$ 8,321,437	\$ 8,375,795	\$ 2,130,300
2011-2012	2,130,300	9,629,222	9,407,618	2,351,904
2012-2013	2,351,904	10,573,075	10,339,983	2,584,996

NOTE 16 - LITIGATION AND CLAIMS:

Litigation: The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

Grant Disallowances: The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount from future audits would not be material.

Construction in Progress: The School Board had ongoing construction projects for a campus loop road for bus traffic, football field stadium entrance, visitor football field house, and baseball and softball field additions at year end. The School Board has spent \$1,625,757 on these projects and has purchase orders and commitments of another \$3,085,892.

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES: On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$4,498. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 18 - ECONOMIC DEPENDENCY: Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$10,823,969 to the School Board, which represents approximately 13% of the School Board's total revenue in the governmental funds for the year.

NOTE 19 - JOINTLY GOVERNED ORGANIZATION: The DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with the joint agreement of the agencies. Sales taxes of \$21,954,012 were collected by the Commission and distributed to the School Board.

NOTE 20 - NEW FUNDS: The School Board established one new fund for the current fiscal year. The new fund established was the Race to the Top special revenue fund.

NOTE 21 - NEW GASB STANDARDS In fiscal year 2013, the School Board implemented the following GASB Statements:

Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement establishes standards for reporting of deferred outflows of resources, deferred inflows of resources, and net position.

Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement amends or supersedes the accounting and financial guidance for certain items previously reported as assets or liabilities as well as establishes accounting and financial reporting standards for the financial statement of state and local governments.

Although these Statements had no current effect on the financial statements as a result of implementation, the Statements did change the presentation of the School Board's financials, which consisted of the net assets being classified as net position.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 22 - FUND BALANCE CLASSIFICATION DETAILS: The following are details of the fund balance classifications

	General	School District No 2 Capital Project	Parishwide Capital Project	Nonmajor Governmental	Total
Non spendable					
Inventory and prepaid items	\$ -	\$ -	\$ -	\$ 46,550	\$ 46,550
Restricted for					
Utilities and insurance for schools	-	-	-	2,647,875	2,647,875
School food service	-	-	-	785,902	785,902
Committed to					
Bus purchases	2,000,000				2,000,000
Technology equipment	1,500,000	-	-	-	1,500,000
Property and casualty deductible	1,500,000	-	-	-	1,500,000
Sick and annual leave pay	2,332,985	-	-	-	2,332,985
General liability insurance deductible	1,000,000	-	-	-	1,000,000
School construction	-	15,141,224	12,199,318	3,791,958	31,132,500
Educational programs not funded by state or federal government	-	-	-	3,382,837	3,382,837
Debt service	-	-	-	3,566,236	3,566,236
Unassigned	3,823,067	-	-	-	3,823,067
Total	<u>\$12,156,052</u>	<u>\$ 15,141,224</u>	<u>\$ 12,199,318</u>	<u>\$ 14,221,358</u>	<u>\$ 53,717,952</u>

**DeSoto Parish School Board
Mansfield, Louisiana**

**REQUIRED SUPPLEMENTAL
INFORMATION**

**DeSoto Parish School Board
Mansfield, Louisiana**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2013**

Year Ended June 30	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	(b-a/c) UAAL as a Percentage of Covered Payroll
2009	7/1/2007	\$ 8,444,399	\$ 90,036,000	\$ 81,591,601	9.38%	\$ 35,245,729	231.49%
2010	7/1/2007	22,344,306	90,036,000	67,691,694	24.82%	43,133,300	156.94%
2011	7/1/2010	38,259,973	113,849,851	75,589,878	33.61%	48,962,463	154.38%
2012	7/1/2010	43,074,701	113,849,851	70,775,150	37.83%	52,830,082	133.97%
2013	7/1/2012	45,540,405	97,989,594	52,449,189	46.47%	45,801,512	114.51%

**DeSoto Parish School Board
Mansfield, Louisiana**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER
POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2013**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 6,256,203	171%
2010	8,147,192	273%
2011	10,814,053	139%
2012	10,814,053	64%
2013	8,148,791	52%

**DeSoto Parish School Board
Mansfield, Louisiana
Budgetary Comparison Schedule**

General Fund and Legally Adopted Annual Budget

GENERAL FUND: The general fund accounts for all activities of the School Board except those required to be accounted for in another fund

DESOTO PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2013**

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ 22,106,618	\$ 32,617,086	\$ 32,817,569	\$ 200,483
Sales and use	38,708,750	14,245,711	14,288,351	42,640
Interest earnings	102,504	64,300	61,938	(2,362)
Other	1,237,159	1,178,028	584,753	(593,275)
State sources				
Equalization	10,190,936	10,532,914	10,481,592	(51,322)
Other	746,104	902,981	901,451	(1,530)
Federal sources	131,471	131,471	112,957	(18,514)
Total Revenues	73,223,542	59,672,491	59,248,611	(423,880)
EXPENDITURES				
Current				
Instruction				
Regular programs	29,264,293	28,276,508	28,390,658	(114,150)
Special programs	15,202,188	13,483,680	13,143,050	340,630
Support services				
Pupil support services	4,641,836	4,480,826	4,438,085	42,741
Instructional staff support	4,889,326	4,762,248	4,032,965	729,283
General administration	2,125,326	2,467,336	2,407,794	59,542
School administration	4,721,294	4,463,607	4,443,840	19,767
Business services	1,416,844	1,376,249	1,352,602	23,647
Plant services	5,838,013	4,236,046	4,186,013	50,033
Student transportation services	5,049,993	4,314,764	4,267,603	47,161
Central services	419,413	407,773	378,422	29,351
Total Expenditures	73,568,526	68,269,037	67,041,032	1,228,005
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (344,984)	\$ (8,596,546)	\$ (7,792,421)	\$ 804,125

(CONTINUED)

DESOTO PARISH SCHOOL BOARD**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2013****Exhibit 1-1**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 812,223	\$ 9,825,170	\$ 8,738,070	\$ (1,087,100)
Transfers out	(310,040)	(1,199,574)	(900,000)	299,574
Total Other Financing Sources (Uses)	502,183	8,625,596	7,838,070	(787,526)
Net Change in Fund Balance	157,199	29,050	45,649	16,599
FUND BALANCE- BEGINNING	12,110,403	12,110,403	12,110,403	-
FUND BALANCE - ENDING	\$ 12,267,602	\$ 12,139,453	\$ 12,156,052	\$ 16,599

(CONCLUDED)

**DeSoto Parish School Board
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2013**

A. BUDGETS

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements

Phase I – The Budget Call

Every administrative staff member is involved in the budget process. Instructions are prepared and distributed to the department heads that explains how to go about preparing the budget along with budget forms and a budget calendar. Emphasis is placed on accurate, prompt, and uniform replies.

Phase II – Obtaining Input from Staff

Staff members have approximately one month to complete the budget forms and return them to the Business Office. The Business Office makes a complete analysis of the budget requests and assembles the financial information, goals, and objectives, and statistical information into one document for Superintendent to review.

Phase III – Review and Approval of the Budget by the Superintendent

The Business Office meets with the Superintendent on several different occasions as each section of the budget book is completed. Changes are sometimes made to the budget requests recommended and submitted by staff. Once the draft of the proposed budget is approved by the Superintendent, copies of the proposed budget are printed and a staff meeting is called to review the document before it is presented to the Board.

Phase IV – Public Meetings & Board Adoption of the Budget

At the first meeting in May, the proposed budget is presented to the School Board. Board Members are encouraged to review the proposed budget and to attend the Finance Committee, which is approximately two weeks thereafter. This is also the first budget hearing that is held. A brief review of the proposed budget is presented by the staff at this hearing and is followed by questions and answers. The School Board also holds one public hearing at its first meeting in June before a formal vote on the proposed budget is called. Any interested citizen can review the proposed budget at the Central Office and make comments and suggestions at the public hearing in June.

Phase V – Monitoring and Revising the Budget After Award

Once the School Board approves the proposed budget, the Superintendent has the authority to spend taxpayer's money. He does this by placing controls and assigning additional responsibilities to various staff members associated with a specific program or department. Staff members are held responsible for seeing that budget expenditures stay within the budget boundaries, however, overall execution and oversight is assigned to the Business Office. The budget is monitored and reconciled periodically to determine if formal Board action is required to amend the budget.

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting in accordance with GAAP.

**DeSoto Parish School Board
Mansfield, Louisiana**

SUPPLEMENTARY INFORMATION

**DeSoto Parish School Board
Mansfield, Louisiana**

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

DESOTO PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2013**

Exhibit 2

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 7,015,071	\$ 3,472,893	\$ 3,925,897	\$ 14,413,861
Investments	-	1,102,423	-	1,102,423
Receivables	1,789,007	668	-	1,789,675
Interfund receivables	1,150	-	-	1,150
Inventory	46,550	-	-	46,550
TOTAL ASSETS	8,851,778	4,575,984	3,925,897	17,353,659
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts, salaries and other payables	1,085,148	-	133,939	1,219,087
Interfund payables	903,463	1,009,748	-	1,913,211
Deferred revenues	3	-	-	3
Total Liabilities	1,988,614	1,009,748	133,939	3,132,301
Fund Balances				
Nonspendable	46,550	-	-	46,550
Restricted	3,433,777	-	-	3,433,777
Committed	3,382,837	3,566,236	3,791,958	10,741,031
Total Fund Balances	6,863,164	3,566,236	3,791,958	14,221,358
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,851,778	\$ 4,575,984	\$ 3,925,897	\$ 17,353,659

DESOTO PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2013**

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ 5,398,479	\$ 1,739,632	\$ 136,923	\$ 7,275,034
Sales and use	2,252,000	2,052,525	2,348,940	6,653,465
Interest earnings	33,118	24,743	6,064	63,925
Food services	331,244	-	-	331,244
Other	271,089	-	-	271,089
State sources				
Equalization	342,377	-	-	342,377
Other	46,353	-	-	46,353
Federal sources	8,890,286	-	-	8,890,286
Total Revenues	17,564,946	3,816,900	2,491,927	23,873,773
EXPENDITURES				
Current				
Instruction				
Special programs	6,679,839	-	-	6,679,839
Support services				
Pupil support services	136,725	-	-	136,725
Instructional staff support	137,362	-	-	137,362
General administration	620,005	101,934	32,204	754,143
Business services	7,835	-	-	7,835
Plant services	3,263,269	-	-	3,263,269
Student transportation services	1,483,147	-	-	1,483,147
Food services	4,827,576	-	-	4,827,576
Capital outlay	-	-	1,785,142	1,785,142
Debt service				
Principal retirement	-	2,455,000	-	2,455,000
Interest and bank charges	-	1,913,579	-	1,913,579
Total Expenditures	17,155,758	4,470,513	1,817,346	23,443,617
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 409,188	\$ (653,613)	\$ 674,581	\$ 430,156

(CONTINUED)

DESOTO PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2013**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 900,000	\$ 8,050	\$ -	\$ 908,050
Transfers out	(488,070)	(8,050)	-	(496,120)
Issuance of debt	-	3,585,000	-	3,585,000
Payments to escrow agent	-	(3,621,570)	-	(3,621,570)
Total Other Financing Sources (Uses)	<u>411,930</u>	<u>(36,570)</u>	<u>-</u>	<u>375,360</u>
Net Change in Fund Balances	821,118	(690,183)	674,581	805,516
FUND BALANCES - BEGINNING	<u>6,042,046</u>	<u>4,256,419</u>	<u>3,117,377</u>	<u>13,415,842</u>
FUND BALANCES - ENDING	<u>\$ 6,863,164</u>	<u>\$ 3,566,236</u>	<u>\$ 3,791,958</u>	<u>\$ 14,221,358</u>

(CONCLUDED)

**DeSoto Parish School Board
Non Major Special Revenue Funds**



**DeSoto Parish School Board
Non Major Special Revenue Funds**

EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I: To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. This fund is primarily used for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

IMPROVING TEACHER QUALITY (TITLE II): This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

LITERACY CHALLENGE (TITLE III): To improve the skills and knowledge of teachers using computers, the Internet, and technology.

MAINTENANCE TAX: To assist in paying the general cost of operation and maintenance of public schools in the parish.

SPECIAL EDUCATION: To promote reduction of chronic disease and to promote wellness.

RACE TO THE TOP: To spur innovation and reforms in state and local district K-12 education.

TEACHER INCENTIVE: To support programs that develop and implement performance-based compensation systems for teachers in high need schools.

JOBS FOR AMERICA'S GRADUATES: A school to career program to keep young people in school through graduation and provide work based learning experiences.

SCHOOL FOOD SERVICE: This program was designed to assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

CARL PERKINS: To provide students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.

INSTRUCTIONAL ENHANCEMENT PROGRAM: Locally funded program to improve the educational programs offered to Pre-kindergarten through the 12th grade.

EARLY CHILDHOOD DEVELOPMENT: Is a federally funded program that provides universal prekindergarten classes and before-and-after school childcare to four-year-old children who are eligible to enter public school kindergarten the following year.

SCHOOL IMPROVEMENT: Is a federally funded program that provides academic support and learning opportunities to help low achieving children master challenging curriculum and meet state standards in core academic subjects.

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2013

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY TITLE II	LITERACY CHALLENGE TITLE III	MAINTENANCE TAX
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,743,531
Receivables	528,413	30,172	-	13,429
Interfund receivables	-	-	-	1,150
Inventory	-	-	-	-
TOTAL ASSETS	528,413	30,172	-	2,758,110
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts, salaries and other payables	199,348	3,208	-	110,235
Interfund payables	329,063	26,964	-	-
Deferred revenues	2	-	-	-
Total Liabilities	528,413	30,172	-	110,235
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	2,647,875
Committed	-	-	-	-
Total Fund Balances	-	-	-	2,647,875
TOTAL LIABILITIES AND FUND BALANCES	\$ 528,413	\$ 30,172	\$ -	\$ 2,758,110

Exhibit 4

SPECIAL EDUCATION	RACE TO THE TOP	TEACHER INCENTIVE	JOB'S FOR AMERICA'S GRADUATES	SCHOOL FOOD SERVICE	CARL PERKINS
\$ -	\$ -	\$ -	\$ -	\$ 807,855	\$ 839
225,107	6,594	216,429	12,528	306,518	10,241
-	-	-	-	-	-
-	-	-	-	46,550	-
<u>225,107</u>	<u>6,594</u>	<u>216,429</u>	<u>12,528</u>	<u>1,160,923</u>	<u>11,080</u>
107,659	-	63,160	7,046	328,471	2,490
117,448	6,593	153,269	5,482	-	8,590
-	1	-	-	-	-
<u>225,107</u>	<u>6,594</u>	<u>216,429</u>	<u>12,528</u>	<u>328,471</u>	<u>11,080</u>
-	-	-	-	46,550	-
-	-	-	-	785,902	-
-	-	-	-	-	-
-	-	-	-	832,452	-
<u>\$ 225,107</u>	<u>\$ 6,594</u>	<u>\$ 216,429</u>	<u>\$ 12,528</u>	<u>\$ 1,160,923</u>	<u>\$ 11,080</u>

(Continued)

DESOTO PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2013**

Exhibit 4

	INSTRUCTIONAL ENHANCEMENT PROGRAM	EARLY CHILDHOOD DEVELOPMENT	SCHOOL IMPROVEMENT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 3,462,846	\$ -	\$ -	\$ 7,015,071
Receivables	15,366	292,256	131,954	1,789,007
Interfund receivables	-	-	-	1,150
Inventory	-	-	-	46,550
TOTAL ASSETS	3,478,212	292,256	131,954	8,851,778
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts, salaries and other payables	95,375	102,258	65,898	1,085,148
Interfund payables	-	189,998	66,056	903,463
Deferred revenues	-	-	-	3
Total Liabilities	95,375	292,256	131,954	1,988,614
Fund Balances				
Nonspendable	-	-	-	46,550
Restricted	-	-	-	3,433,777
Committed	3,382,837	-	-	3,382,837
Total Fund Balances	3,382,837	-	-	6,863,164
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,478,212	\$ 292,256	\$ 131,954	\$ 8,851,778

(Concluded)

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana



DESOTO PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY TITLE II	LITERACY CHALLENGE TITLE III	MAINTENANCE TAX
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ -	\$ -	\$ -	\$ 5,398,479
Sales and use	-	-	-	-
Interest earnings	-	-	-	25,022
Food services	-	-	-	-
Other	-	-	-	22,267
State sources				
Equalization	-	-	-	-
Other	-	-	-	46,353
Federal sources	1,628,985	297,837	7,070	-
Total Revenues	1,628,985	297,837	7,070	5,492,121
EXPENDITURES				
Current				
Instruction				
Special programs	1,430,311	266,158	6,932	23,291
Support services				
Pupil support services	23,650	-	-	-
Instructional staff support	125	-	-	-
General administration	-	-	-	620,005
Business services	-	-	-	-
Plant services	-	-	-	3,263,269
Student transportation services	-	-	-	1,472,579
Food services	-	-	-	-
Total Expenditures	1,454,086	266,158	6,932	5,379,144
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 174,899	\$ 31,679	\$ 138	\$ 112,977

Exhibit 5

SPECIAL EDUCATION	RACE TO THE TOP	TEACHER INCENTIVE	JOBS FOR AMERICA'S GRADUATES	SCHOOL FOOD SERVICE	CARL PERKINS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,252,000	-
-	-	-	-	457	-
-	-	-	-	331,244	-
-	-	-	-	-	-
-	-	-	-	342,377	-
-	-	-	-	-	-
1,027,811	22,445	2,256,061	50,714	1,917,331	67,949
1,027,811	22,445	2,256,061	50,714	4,843,409	67,949
710,318	22,445	2,214,564	45,279	-	59,095
113,075	-	-	-	-	-
90,063	-	41,497	-	-	5,620
-	-	-	-	-	-
-	-	-	-	-	3,234
-	-	-	-	-	-
10,568	-	-	-	-	-
-	-	-	-	4,827,576	-
924,024	22,445	2,256,061	45,279	4,827,576	67,949
\$ 103,787	\$ -	\$ -	\$ 5,435	\$ 15,833	\$ -

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY TITLE II	LITERACY CHALLENGE TITLE III	MAINTENANCE TAX
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(174,899)	(31,679)	(138)	-
Total Other Financing Sources (Uses)	(174,899)	(31,679)	(138)	-
Net Change in Fund Balance	-	-	-	112,977
FUND BALANCES - BEGINNING	-	-	-	2,534,898
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ 2,647,875

Exhibit 5

SPECIAL EDUCATION	RACE TO THE TOP	TEACHER INCENTIVE	JOBS FOR AMERICA'S GRADUATES	SCHOOL FOOD SERVICE	CARL PERKINS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(103,787)	-	-	(5,435)	-	-
(103,787)	-	-	(5,435)	-	-
-	-	-	-	15,833	-
-	-	-	-	816,619	-
\$ -	\$ -	\$ -	\$ -	\$ 832,452	\$ -

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013

Exhibit 5

	INSTRUCTIONAL ENHANCEMENT PROGRAM	EARLY CHILDHOOD DEVELOPMENT	SCHOOL IMPROVEMENT	TOTAL
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ -	\$ -	\$ -	\$ 5,398,479
Sales and use	-	-	-	2,252,000
Interest earnings	7,639	-	-	33,118
Food services	-	-	-	331,244
Other	248,822	-	-	271,089
State sources				
Equalization	-	-	-	342,377
Other	-	-	-	46,353
Federal sources	-	874,005	740,078	8,890,286
Total Revenues	256,461	874,005	740,078	17,564,946
EXPENDITURES				
Current				
Instruction				
Special programs	459,552	780,327	661,567	6,679,839
Support services				
Pupil support services	-	-	-	136,725
Instructional staff support	-	-	57	137,362
General administration	-	-	-	620,005
Business services	4,601	-	-	7,835
Plant services	-	-	-	3,263,269
Student transportation services	-	-	-	1,483,147
Food services	-	-	-	4,827,576
Total Expenditures	464,153	780,327	661,624	17,155,758
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (207,692)	\$ 93,678	\$ 78,454	\$ 409,188

(Continued)

DESOTO PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

Exhibit 5

	INSTRUCTIONAL ENHANCEMENT PROGRAM	EARLY CHILDHOOD DEVELOPMENT	SCHOOL IMPROVEMENT	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 900,000	\$ -	\$ -	\$ 900,000
Transfers out	-	(93,678)	(78,454)	(488,070)
Total Other Financing Sources (Uses)	<u>900,000</u>	<u>(93,678)</u>	<u>(78,454)</u>	<u>411,930</u>
Net Change in Fund Balance	692,308	-	-	821,118
FUND BALANCES - BEGINNING	<u>2,690,529</u>	<u>-</u>	<u>-</u>	<u>6,042,046</u>
FUND BALANCES - ENDING	<u><u>\$ 3,382,837</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,863,164</u></u>

(Concluded)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

**Educational Consolidation and Improvement Act
Title I**

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

Exhibit 6-1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 2,035,143	\$ 1,874,442	\$ 1,628,985	\$ (245,457)
Total Revenues	<u>2,035,143</u>	<u>1,874,442</u>	<u>1,628,985</u>	<u>(245,457)</u>
EXPENDITURES				
Current				
Instruction				
Special programs	1,614,197	1,530,772	1,430,311	100,461
Support services				
Pupil support services	66,370	27,457	23,650	3,807
Instructional staff support	71,192	115,684	125	115,559
Total Expenditures	<u>1,751,759</u>	<u>1,673,913</u>	<u>1,454,086</u>	<u>219,827</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	283,384	200,529	174,899	(25,630)
OTHER FINANCING SOURCES (USES)				
Transfers out	(283,384)	(200,529)	(174,899)	25,630
Total Other Financing Sources (Uses)	<u>(283,384)</u>	<u>(200,529)</u>	<u>(174,899)</u>	<u>25,630</u>
Net Changes in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Improving Teacher Quality
Title II

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

Exhibit 6-2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 377,509	\$ 440,943	\$ 297,837	\$ (143,106)
Total Revenues	<u>377,509</u>	<u>440,943</u>	<u>297,837</u>	<u>(143,106)</u>
EXPENDITURES				
Current				
Instruction				
Special programs	<u>325,954</u>	<u>393,925</u>	<u>266,158</u>	<u>127,767</u>
Total Expenditures	<u>325,954</u>	<u>393,925</u>	<u>266,158</u>	<u>127,767</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>51,555</u>	<u>47,018</u>	<u>31,679</u>	<u>(15,339)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(51,555)</u>	<u>(47,018)</u>	<u>(31,679)</u>	<u>15,339</u>
Total Other Financing Sources (Uses)	<u>(51,555)</u>	<u>(47,018)</u>	<u>(31,679)</u>	<u>15,339</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

**Literacy Challenge
Title III**

**Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget and Actual
For the Year Ended June 30, 2013**

Exhibit 6-3

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
<i>Federal sources</i>	<u>\$ 11,941</u>	<u>\$ 12,583</u>	<u>\$ 7,070</u>	<u>\$ (5,513)</u>
Total Revenues	<u>11,941</u>	<u>12,583</u>	<u>7,070</u>	<u>(5,513)</u>
EXPENDITURES				
<i>Current</i>				
Instruction				
Special programs	<u>10,279</u>	<u>12,337</u>	<u>6,932</u>	<u>5,405</u>
Total Expenditures	<u>10,279</u>	<u>12,337</u>	<u>6,932</u>	<u>5,405</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>1,662</u>	<u>246</u>	<u>138</u>	<u>108</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,662)</u>	<u>(246)</u>	<u>(138)</u>	<u>(108)</u>
Total Other Financing Sources (Uses)	<u>(1,662)</u>	<u>(246)</u>	<u>(138)</u>	<u>(108)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Maintenance Tax

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

Exhibit 6-4

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ 4,095,630	\$ 5,439,709	\$ 5,398,479	\$ (41,230)
Interest earnings	5,545	17,592	25,022	7,430
Other	1,043	22,267	22,267	-
State sources				
Other	48,164	46,353	46,353	-
Total Revenues	4,150,382	5,525,921	5,492,121	(33,800)
EXPENDITURES				
Current				
Instruction				
Special programs	14,702	23,291	23,291	-
Support services				
General administration	308,422	620,006	620,005	1
Plant services	2,291,168	3,316,578	3,263,269	53,309
Student transportation services	1,536,090	1,577,793	1,472,579	105,214
Total Expenditures	4,150,382	5,537,668	5,379,144	158,524
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(11,747)	112,977	124,724
FUND BALANCES - BEGINNING	2,534,898	2,534,898	2,534,898	-
FUND BALANCES - ENDING	\$ 2,534,898	\$ 2,523,151	\$ 2,647,875	\$ 124,724

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Special Education

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

Exhibit 6-5

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 1,276,202	\$ 1,686,708	\$ 1,027,811	\$ (658,897)
Total Revenues	<u>1,276,202</u>	<u>1,686,708</u>	<u>1,027,811</u>	<u>(658,897)</u>
EXPENDITURES				
Current				
Instruction				
Special programs	740,292	772,085	710,318	61,767
Support services				
Pupil support services	120,246	124,334	113,075	11,259
Instructional staff support	228,065	636,342	90,063	546,279
Student transportation services	9,896	13,286	10,568	2,718
Total Expenditures	<u>1,098,499</u>	<u>1,546,047</u>	<u>924,024</u>	<u>622,023</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>177,703</u>	<u>140,661</u>	<u>103,787</u>	<u>(36,874)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(177,703)	(140,661)	(103,787)	36,874
Total Other Financing Sources (Uses)	<u>(177,703)</u>	<u>(140,661)</u>	<u>(103,787)</u>	<u>36,874</u>
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Race To The Top

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

Exhibit 6-6

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 117,848	\$ 43,037	\$ 22,445	\$ (20,592)
Total Revenues	117,848	43,037	22,445	(20,592)
EXPENDITURES				
Current				
Instruction				
Special programs	117,848	43,037	22,445	20,592
Total Expenditures	117,848	43,037	22,445	20,592
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Teacher Incentive

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

Exhibit 6-7

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 1,851,378	\$ 2,372,689	\$ 2,256,061	\$ (116,628)
Total Revenues	<u>1,851,378</u>	<u>2,372,689</u>	<u>2,256,061</u>	<u>(116,628)</u>
EXPENDITURES				
Current				
Instruction				
Special programs	1,801,378	2,310,338	2,214,564	95,774
Support services				
Instructional staff support	50,000	62,351	41,497	20,854
Total Expenditures	<u>1,851,378</u>	<u>2,372,689</u>	<u>2,256,061</u>	<u>116,628</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Jobs for America's Graduates

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

Exhibit 6-8

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 50,000	\$ 50,718	\$ 50,714	\$ (4)
Total Revenues	50,000	50,718	50,714	(4)
EXPENDITURES				
Current				
Instruction				
Special programs	43,041	45,282	45,279	3
Total Expenditures	43,041	45,282	45,279	3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	6,959	5,436	5,435	(1)
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,959)	(5,436)	(5,435)	1
Total Other Financing Sources (Uses)	(6,959)	(5,436)	(5,435)	1
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

School Food Service

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

Exhibit 6-9

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources				
Taxes				
Sales and use	\$ 2,200,000	\$ 2,252,000	\$ 2,252,000	\$ -
Interest earnings	2,214	433	457	24
Food services	385,364	369,816	331,244	(38,572)
State sources				
Equalization	342,331	351,779	342,377	(9,402)
Federal sources	1,879,867	1,908,375	1,917,331	8,956
 Total Revenues	 4,809,776	 4,882,403	 4,843,409	 (38,994)
EXPENDITURES				
Current				
Food services	4,783,633	4,937,000	4,827,576	109,424
 Total Expenditures	 4,783,633	 4,937,000	 4,827,576	 109,424
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 26,143	 (54,597)	 15,833	 70,430
 FUND BALANCES - BEGINNING	 816,619	 816,619	 816,619	 -
 FUND BALANCES - ENDING	 \$ 842,762	 \$ 762,022	 \$ 832,452	 \$ 70,430

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Carl Perkins

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

Exhibit 6-10

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 59,946	\$ 67,951	\$ 67,949	\$ (2)
 Total Revenues	 59,946	 67,951	 67,949	 (2)
EXPENDITURES				
Current				
Instruction				
Special programs	51,093	59,097	59,095	2
Support services				
Pupil support	4,000	-	-	-
Instructional staff support	2,000	5,620	5,620	-
Business services	2,853	3,234	3,234	-
 Total Expenditures	 59,946	 67,951	 67,949	 2
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 -	 -	 -	 -
 FUND BALANCES - BEGINNING	 -	 -	 -	 -
 FUND BALANCES - ENDING	 \$ -	 \$ -	 \$ -	 \$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Instructional Enhancement Program

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

Exhibit 6-11

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources				
Interest earnings	\$ 8,724	\$ 8,724	\$ 7,639	\$ (1,085)
Other	170,311	170,311	248,822	78,511
Total Revenues	<u>179,035</u>	<u>179,035</u>	<u>256,461</u>	<u>77,426</u>
EXPENDITURES				
Current				
Instruction				
Special programs	386,357	468,291	459,552	8,739
Support services				
Business services	-	4,797	4,601	196
Total Expenditures	<u>386,357</u>	<u>473,088</u>	<u>464,153</u>	<u>8,935</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(207,322)</u>	<u>(294,053)</u>	<u>(207,692)</u>	<u>86,361</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	900,000	900,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>900,000</u>
Net change in fund balance	<u>(207,322)</u>	<u>(294,053)</u>	<u>692,308</u>	<u>986,361</u>
FUND BALANCES - BEGINNING	<u>2,690,529</u>	<u>2,690,529</u>	<u>2,690,529</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,483,207</u>	<u>\$ 2,396,476</u>	<u>\$ 3,382,837</u>	<u>\$ 986,361</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Early Childhood Development

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

Exhibit 6-12

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Federal sources	\$ 885,392	\$ 874,009	\$ 874,005	\$ (4)
Total Revenues	<u>885,392</u>	<u>874,009</u>	<u>874,005</u>	<u>(4)</u>
EXPENDITURES				
Current				
Instruction				
Special programs	<u>762,105</u>	<u>780,331</u>	<u>780,327</u>	<u>4</u>
Total Expenditures	<u>762,105</u>	<u>780,331</u>	<u>780,327</u>	<u>4</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	123,287	93,678	93,678	-
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(123,287)</u>	<u>(93,678)</u>	<u>(93,678)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(123,287)</u>	<u>(93,678)</u>	<u>(93,678)</u>	<u>-</u>
Net change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

School Improvement

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

Exhibit 6-13

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Federal sources	\$ 1,173,188	\$ 904,261	\$ 740,078	\$ (164,183)
Total Revenues	<u>1,173,188</u>	<u>904,261</u>	<u>740,078</u>	<u>(164,183)</u>
EXPENDITURES				
Current				
Instruction				
Special programs	971,455	782,748	661,567	121,181
Instructional staff support	<u>34,060</u>	<u>34,064</u>	<u>57</u>	<u>34,007</u>
Total Expenditures	<u>1,005,515</u>	<u>816,812</u>	<u>661,624</u>	<u>155,188</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	167,673	87,449	78,454	(8,995)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(167,673)</u>	<u>(87,449)</u>	<u>(78,454)</u>	<u>8,995</u>
Total Other Financing Sources (Uses)	<u>(167,673)</u>	<u>(87,449)</u>	<u>(78,454)</u>	<u>8,995</u>
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Debt Service Funds**

SCHOOL DISTRICTS NO. 2 (1998 ISSUE), NO. 2 (2005 ISSUE), NO. 2 (2004 AND 2005 ISSUE), NO. 2 (2010 ISSUE), NO. 2 (2012 ISSUE), NO. 3 (1994 ISSUE), AND NO. 4(2007 & 2008 ISSUE): To accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishings thereof. The bond issues are financed by a special property tax levy on property within the respective school districts and/or an allocation of sales and use tax collected.

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2013

	NO 2 1998 ISSUE	NO 2 2005 ISSUE	NO 2 2004 & 2005 ISSUE	NO 2 2010 ISSUE
ASSETS				
Cash and cash equivalents	\$ -	\$ 38,331	\$ 1,133,624	\$ 343,896
Investments	331,264	771,159	-	-
Receivables	-	-	668	-
TOTAL ASSETS	<u>331,264</u>	<u>809,490</u>	<u>1,134,292</u>	<u>343,896</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Interfund payables	<u>331,264</u>	<u>-</u>	<u>662,663</u>	<u>-</u>
Total Liabilities	<u>331,264</u>	<u>-</u>	<u>662,663</u>	<u>-</u>
Fund Balances				
Committed	<u>-</u>	<u>809,490</u>	<u>471,629</u>	<u>343,896</u>
Total Fund Balances	<u>-</u>	<u>809,490</u>	<u>471,629</u>	<u>343,896</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 331,264</u>	<u>\$ 809,490</u>	<u>\$ 1,134,292</u>	<u>\$ 343,896</u>

Exhibit 7

NO 2 2012 ISSUE	NO 3 1994 ISSUE	NO 4 2007 & 2008 ISSUE	TOTAL
\$ 1,058,988	\$ 10,196	\$ 887,858	\$ 3,472,893
-	-	-	1,102,423
-	-	-	668
<u>1,058,988</u>	<u>10,196</u>	<u>887,858</u>	<u>4,575,984</u>
15,821	-	-	1,009,748
<u>15,821</u>	<u>-</u>	<u>-</u>	<u>1,009,748</u>
<u>1,043,167</u>	<u>10,196</u>	<u>887,858</u>	<u>3,566,236</u>
<u>1,043,167</u>	<u>10,196</u>	<u>887,858</u>	<u>3,566,236</u>
<u>\$ 1,058,988</u>	<u>\$ 10,196</u>	<u>\$ 887,858</u>	<u>\$ 4,575,984</u>

DESOTO PARISH SCHOOL BOARD

**NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

	NO 2 1998 ISSUE	NO 2 2005 ISSUE	NO 2 2004 & 2005 ISSUE	NO 2 2010 ISSUE
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ -	\$ -	\$ 754,000	\$ -
Sales and use	-	-	150,000	600,000
Interest earnings	3,565	11,604	4,011	409
Total Revenues	3,565	11,604	908,011	600,409
EXPENDITURES				
Current				
Support services				
General administration	-	-	34,778	8,226
Debt Service				
Principal retirement	325,000	165,000	615,000	295,000
Interest and bank charges	5,444	38,820	313,644	315,894
Total Expenditures	330,444	203,820	963,422	619,120
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(326,879)	(192,216)	(55,411)	(18,711)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8,050	-
Transfers out	(8,050)	-	-	-
Issuance of debt	-	-	3,585,000	-
Payments to escrow agent	-	-	(3,621,570)	-
Total Other Financing Sources (Uses)	(8,050)	-	(28,520)	-
Net Change in Fund Balances	(334,929)	(192,216)	(83,931)	(18,711)
FUND BALANCES - BEGINNING	334,929	1,001,706	555,560	362,607
FUND BALANCES - ENDING	\$ -	\$ 809,490	\$ 471,629	\$ 343,896

Exhibit 8

NO 2 2012 ISSUE	NO 3 1994 ISSUE	NO 4 2007 & 2008 ISSUE	TOTAL
\$ -	\$ -	\$ 985,632	\$ 1,739,632
987,000	15,525	300,000	2,052,525
513	22	4,619	24,743
987,513	15,547	1,290,251	3,816,900
13,532	213	45,185	101,934
515,000	25,000	515,000	2,455,000
475,094	2,785	761,898	1,913,579
1,003,626	27,998	1,322,083	4,470,513
(16,113)	(12,451)	(31,832)	(653,613)
-	-	-	8,050
-	-	-	(8,050)
-	-	-	3,585,000
-	-	-	(3,621,570)
-	-	-	(36,570)
(16,113)	(12,451)	(31,832)	(690,183)
1,059,280	22,647	919,690	4,256,419
\$ 1,043,167	\$ 10,196	\$ 887,858	\$ 3,566,236

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Capital Project Funds**

SCHOOL DISTRICTS NO. 1, NO. 3, NO. 4, AND NO. 5: To account for financial resources to acquire, construct, and improve public school facilities in the respective districts

DESOTO PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 2013

Exhibit 9

	SCHOOL DISTRICT NO 1	SCHOOL DISTRICT NO 3	SCHOOL DISTRICT NO 4	SCHOOL DISTRICT NO 5	TOTAL
ASSETS					
Cash and cash equivalents	\$ 961,935	\$ 136,011	\$ 2,172,756	\$ 655,195	\$ 3,925,897
TOTAL ASSETS	<u>961,935</u>	<u>136,011</u>	<u>2,172,756</u>	<u>655,195</u>	<u>3,925,897</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts, salaries and other payables	56,681	69,475	7,783	-	133,939
Total Liabilities	<u>56,681</u>	<u>69,475</u>	<u>7,783</u>	<u>-</u>	<u>133,939</u>
Fund Balances					
Committed	905,254	66,536	2,164,973	655,195	3,791,958
TOTAL FUND BALANCES	<u>905,254</u>	<u>66,536</u>	<u>2,164,973</u>	<u>655,195</u>	<u>3,791,958</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 961,935</u>	<u>\$ 136,011</u>	<u>\$ 2,172,756</u>	<u>\$ 655,195</u>	<u>\$ 3,925,897</u>

DESOTO PARISH SCHOOL BOARD

**NONMAJOR CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

Exhibit 10

	SCHOOL DISTRICT NO 1	SCHOOL DISTRICT NO 3	SCHOOL DISTRICT NO 4	SCHOOL DISTRICT NO 5	TOTAL
REVENUES					
Local sources					
Taxes					
Ad valorem	\$ 70,591	\$ 33,868	\$ -	\$ 32,464	\$ 136,923
Sales and use	756,431	320,404	1,132,135	139,970	2,348,940
Interest earnings	419	12	5,173	460	6,064
Total Revenues	<u>827,441</u>	<u>354,284</u>	<u>1,137,308</u>	<u>172,894</u>	<u>2,491,927</u>
EXPENDITURES					
Current					
Support services					
General administration	10,371	4,393	15,521	1,919	32,204
Capital outlay	508,998	697,266	540,119	38,759	1,785,142
Total Expenditures	<u>519,369</u>	<u>701,659</u>	<u>555,640</u>	<u>40,678</u>	<u>1,817,346</u>
Net Change in Fund Balances	308,072	(347,375)	581,668	132,216	674,581
FUND BALANCES - BEGINNING	<u>597,182</u>	<u>413,911</u>	<u>1,583,305</u>	<u>522,979</u>	<u>3,117,377</u>
FUND BALANCES - ENDING	<u>\$ 905,254</u>	<u>\$ 66,536</u>	<u>\$ 2,164,973</u>	<u>\$ 655,195</u>	<u>\$ 3,791,958</u>

**DeSoto Parish School Board
Mansfield, Louisiana
Internal Service Funds**

GROUP DENTAL INSURANCE: To recover over a period of time the total cost of providing group dental insurance to School Board employees and retirees

GROUP HEALTH INSURANCE: To recover over a period of time the total cost of providing group medical insurance to School Board employees and retirees

WORKERS' COMPENSATION INSURANCE: To recover over a period of time the total cost of providing workers' compensation insurance to School Board employees who are injured on the job

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Combining Statement of Net Position

June 30, 2013

Exhibit 11

	GROUP DENTAL INSURANCE	GROUP HEALTH INSURANCE	WORKERS' COMPENSATION	TOTAL
ASSETS				
Current assets				
Cash and cash equivalents	\$ 299,176	\$ 5,479,864	\$ 767,047	\$ 6,546,087
Investments	-	941,128	-	941,128
Receivables	57,080	1,168,146	-	1,225,226
TOTAL CURRENT ASSETS	356,256	7,589,138	767,047	8,712,441
LIABILITIES				
Current liabilities				
Accounts payable	18,129	122,948	563	141,640
Claims payable	-	150,000	-	150,000
TOTAL CURRENT LIABILITIES	18,129	272,948	563	291,640
Noncurrent liabilities				
Medical claims payable	-	2,304,212	-	2,304,212
Dental claims payable	130,784	-	-	130,784
Workers' compensatoin payable	-	-	235,551	235,551
TOTAL NON CURRENT LIABILITIES	130,784	2,304,212	235,551	2,670,547
TOTAL LIABILITIES	148,913	2,577,160	236,114	2,962,187
NET POSITION				
Unrestricted	\$ 207,343	\$ 5,011,978	\$ 530,933	\$ 5,750,254

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

**Combining Statement of Revenue, Expenses,
And Changes in Fund Net Position
For the Year Ended June 30, 2013**

Exhibit 12

	GROUP DENTAL INSURANCE	GROUP HEALTH INSURANCE	WORKERS' COMPENSATION	TOTAL
OPERATING REVENUE				
Medical premiums	\$ -	\$ 13,492,853	\$ -	\$ 13,492,853
Dental premiums	670,120	-	-	670,120
Worker's compensation premiums	-	-	250,000	250,000
Medicare subsidy	-	187,275	-	187,275
Total operating revenues	670,120	13,680,128	250,000	14,600,248
OPERATING EXPENSES				
Claims	534,121	10,038,953	121,677	10,694,751
Administration	41,398	558,186	13,922	613,506
Insurance	-	2,121,334	54,240	2,175,574
Total operating expenses	575,519	12,718,473	189,839	13,483,831
Operating income (loss)	94,601	961,655	60,161	1,116,417
NONOPERATING REVENUES				
Earnings on investments	531	11,814	1,515	13,860
Change in Net Position	95,132	973,469	61,676	1,130,277
NET POSITION - BEGINNING	112,211	4,038,509	469,257	4,619,977
NET POSITION - ENDING	\$ 207,343	\$ 5,011,978	\$ 530,933	\$ 5,750,254

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

For the Year Ended June 30, 2013

Exhibit 13

	GROUP DENTAL INSURANCE	GROUP HEALTH INSURANCE	WORKERS' COMPENSATION	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Premiums received	\$ 613,040	\$ 12,536,346	\$ 250,000	\$ 13,399,386
Administrative fees paid	(36,538)	(546,768)	(13,471)	(596,777)
Premiums paid	-	(2,121,334)	(54,240)	(2,175,574)
Claims paid	(523,134)	(9,816,848)	(43,299)	(10,383,281)
Net cash provided (used) by operating activities	53,368	51,396	138,990	243,754
CASH FLOW FROM INVESTING ACTIVITIES				
Earnings on investments	531	11,814	1,515	13,860
Purchase of investments	-	44,119	-	44,119
Net cash provided (used) for investing activities	531	55,933	1,515	57,979
Net increase (decrease) in cash and cash equivalents	53,899	107,329	140,505	301,733
CASH AND CASH EQUIVALENTS - BEGINNING	245,277	5,372,535	626,542	6,244,354
CASH AND CASH EQUIVALENTS - ENDING	299,176	5,479,864	767,047	6,546,087
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	94,601	961,655	60,161	1,116,417
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
(Increase) decrease in receivables	(57,080)	(1,143,782)	-	(1,200,862)
Increase (decrease) in accounts and claims payable	15,847	233,523	78,829	328,199
Net cash provided (used) for operating activities	\$ 53,368	\$ 51,396	\$ 138,990	\$ 243,754

**DeSoto Parish School Board
Mansfield, Louisiana
Agency Funds**

SCHOOL ACTIVITIES FUND: The activities of the various individual school accounts are accounted for in the school activities agency fund While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board

DESOTO PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
Statement of Changes In Assets and Liabilities
For the Year Ended June 30, 2013

Exhibit 14

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Cash and cash equivalents	<u>\$ 521,502</u>	<u>\$ 1,928,230</u>	<u>\$ 1,943,776</u>	<u>\$ 505,956</u>
Total assets	<u>521,502</u>	<u>1,928,230</u>	<u>1,943,776</u>	<u>505,956</u>
LIABILITIES				
Deposits due others	<u>521,502</u>	<u>1,928,230</u>	<u>1,943,776</u>	<u>505,956</u>
Total liabilities	<u>\$ 521,502</u>	<u>\$ 1,928,230</u>	<u>\$ 1,943,776</u>	<u>\$ 505,956</u>

DESOTO PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Statement of Changes in Deposits Due Others
For the Year Ended June 30, 2013

Exhibit 15

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Logansport Elementary	\$ 65,243	\$ 53,696	\$ 78,658	\$ 40,281
Logansport High	84,140	242,128	234,861	91,407
Mansfield Elementary Middle 3-5	34,396	55,706	83,716	6,386
Mansfield Elementary Middle 6-8	15,874	87,328	85,036	18,166
Mansfield High	37,010	219,935	223,545	33,400
North DeSoto Elementary PK-2	26,544	70,403	72,542	24,405
North DeSoto Elementary 3-5	1,733	56,656	52,309	6,080
North DeSoto Middle	81,868	244,471	184,720	141,619
North DeSoto High	102,285	598,663	610,024	90,924
Pelican High	7,536	56,237	62,245	1,528
Stanley High	56,166	233,774	244,039	45,901
DeSoto Parish Alternative	4,851	3,624	4,902	3,573
DeSoto Parish Career Academy	<u>3,856</u>	<u>5,609</u>	<u>7,179</u>	<u>2,286</u>
 Total	 <u>\$ 521,502</u>	 <u>\$ 1,928,230</u>	 <u>\$ 1,943,776</u>	 <u>\$ 505,956</u>

**DeSoto Parish School Board
Mansfield, Louisiana**

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

DESOTO PARISH SCHOOL BOARD

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS
BY SOURCES
June 30, 2013**

Exhibit 16

	2013	2012
CAPITAL ASSETS		
Land	\$ 2,424,129	\$ 2,424,129
Land improvements	12,569,211	11,388,041
Buildings and improvements	111,899,180	98,236,569
Furniture and equipment	2,278,369	2,158,956
Vehicles	9,700,428	9,177,521
Construction in progress	1,625,757	9,593,266
TOTAL CAPITAL ASSETS	140,497,074	132,978,482
INVESTMENT IN CAPITAL ASSETS		
Capital Projects Funds	134,654,832	126,963,793
General Fund	4,992,674	5,179,411
School Lunch Fund	400,871	386,581
Federal Aid	211,750	211,750
Gifts and donations	236,947	236,947
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 140,497,074	\$ 132,978,482

DESOTO PARISH SCHOOL BOARD

**SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY**

June 30, 2013

Exhibit 17

FUNCTION AND ACTIVITY	Total	Land and land improvements	Buildings and improvements	Furniture and equipment	Vehicles	Construction in progress
<u>Instructional services</u>						
Regular and special programs						
High schools	\$ 84,346,910	\$ 9,912,547	\$ 65,779,157	\$ 1,043,097	\$ 6,005,608	\$ 1,606,501
Middle schools	12,779,335	927,422	11,594,250	251,395	6,268	-
Elementary schools	30,040,820	2,271,351	27,305,121	449,201	15,147	-
Adult/Continued education	157,086	2,362	146,300	8,424	-	-
Total instructional services	127,324,151	13,113,682	104,824,828	1,752,117	6,027,023	1,606,501
<u>Supporting services</u>						
General and school administration	1,870,021	1,073,334	526,711	150,391	100,329	19,256
Plant services	4,043,474	127,222	3,252,401	375,861	287,990	-
Student transportation services	3,508,096	679,102	2,828,994	-	-	-
Noninstructional services - food service operations	3,751,332	-	466,246	-	3,285,086	-
Total capital assets allocated to functions	\$ 140,497,074	\$ 14,993,340	\$ 111,899,180	\$ 2,278,369	\$ 9,700,428	\$ 1,625,757

DESOTO PARISH SCHOOL BOARD

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2013**

Exhibit 18

<u>FUNCTION AND ACTIVITY</u>	<u>BALANCE, BEGINNING</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE, ENDING</u>
<u>Instructional services.</u>				
Regular and special programs				
High schools	\$ 78,206,099	\$ 20,171,438	\$ 14,030,627	\$ 84,346,910
Middle schools	12,779,335	-	-	12,779,335
Elementary schools	28,808,859	2,581,604	1,349,643	30,040,820
Adult/Continued education	157,086	-	-	157,086
Total Instructional services	119,951,379	22,753,042	15,380,270	127,324,151
<u>Supporting services</u>				
General and school administration	1,811,335	58,686	-	1,870,021
Plant services	3,956,340	87,134	-	4,043,474
Student transportation services	3,508,096	-	-	3,508,096
Noninstructional services - food service operations	3,751,332	-	-	3,751,332
Total capital assets	\$ 132,978,482	\$ 22,898,862	\$ 15,380,270	\$ 140,497,074

**DeSoto Parish School Board
Mansfield, Louisiana**

General

Exhibit 19

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2013**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month. The president receives an additional \$100 per month for performing the duties of the president, while the three members of the budget/finance committee (Executive Committee) receive an additional \$50 per month.

Mr. Douglas "Barthlomew" Claiborne	\$ 5,600
Mr. Garland Spivey	4,000
Mr. Thomas "Tommy" Craig, Jr.	9,600
Mr. Steavy Clark	9,600
Mr. Donald "Donny" Dufour	9,900
Mr. McLawrence Fuller	10,200
Mr. Dudley Glenn	9,600
Mr. Johnny Haynes	10,500
Dr. Robert "Neil" Henderson	9,600
Mr. Coday Johnston	10,200
Mr. L. J. Mayweather, Jr.	10,200
Mr. Larry "Mark" Ross	<u>9,600</u>
Total	<u>\$108,600</u>

STATISTICAL SECTION

**DeSoto Parish School Board
Statistical Section
Contents**

	<u>Table Number</u>	<u>Page Number</u>
Financial Trends		
These schedules contain trend information to help the reader understand how the School Board's financial performance and well being has changed over time		
Net Assets/Position by Component	1	153
Changes in Net Assets/Position	2	154
Fund Balances of Governmental Funds	3	155
Changes in Fund Balances of Governmental Funds	4	156
Revenue Capacity		
These schedules contain information to help the reader assess the School Board's most significant local revenue sources, property tax and sales tax		
Assessed Value and Estimated Actual Value of Taxable Property	5	157
Overlapping Governments	6	158
Principal Property Taxpayers	7	159
Property Tax Levies and Collections	8	160
Sales and Use Tax Rates and Collections - All Governments	9	161
Debt Capacity		
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 debt in the future		
Ratios of Outstanding Debt by Type	10	162
Ratios of General Bonded Debt Outstanding	11	163
Direct and Overlapping Governmental Activities Debt	12	164
Legal Debt Margin Information	13	165
		(continued)

**DeSoto Parish School Board
Statistical Section
Contents**

	<u>Table Number</u>	<u>Page Number</u>
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place		
Demographic and Economic Statistics	14	166
Principal Employers	15	167
Operating Information		
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		
School Building Information	16	168
School Personnel	17	169
Operating Statistics	18	170
Other Information		
Schedule of Insurance in Force	19	171

Sources Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year

(concluded)

Table 1

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Net Assets/Position by Component
Fiscal Years Ended June 30, 2004 through June 30, 2013
(Accrual Basis of Accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Net investment in capital assets	\$ 18,219,109	\$ 20,015,615	\$ 22,567,461	\$ 24,897,360	\$ 11,438,322	\$ 38,260,982	\$ 42,351,067	\$ 52,187,331	\$ 59,372,145	\$ 59,346,917
Restricted	2,418,302	2,891,266	4,298,179	6,753,530	26,930,085	12,818,082	36,577,690	5,361,510	4,838,689	3,480,327
Unrestricted	<u>6,761,655</u>	<u>7,337,487</u>	<u>7,008,312</u>	<u>8,162,244</u>	<u>12,842,256</u>	<u>13,764,220</u>	<u>20,033,312</u>	<u>74,570,720</u>	<u>61,630,584</u>	<u>54,355,580</u>
Total governmental activities net assets/position	<u>\$ 27,399,066</u>	<u>\$ 30,244,368</u>	<u>\$ 33,873,952</u>	<u>\$ 39,813,134</u>	<u>\$ 51,210,663</u>	<u>\$ 64,843,284</u>	<u>\$ 98,962,069</u>	<u>\$ 132,119,561</u>	<u>\$ 125,841,418</u>	<u>\$ 117,182,824</u>

Notes: GASB Statement No. 63 was implemented for the year ended June 30, 2013. The statement changed the term net assets to net position.

DESOTO PARISH SCHOOL BOARD
Mansfield Louisiana

Changes in Net Assets/Position
Fiscal Years Ended June 30 2004 through June 30 2013
(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Instruction										
Regular programs	\$ 15 152 359	\$ 15,238,864	\$ 15 425 304	\$ 17 553 777	\$ 17,264 404	\$ 21 967 595	\$ 25 478,383	\$ 31 478 048	\$ 35,268,039	\$ 32 487 281
Special programs	10 240 351	12 626,214	12 588 964	13 302 543	14 799 391	17 686 433	19 443 872	23 113 551	23,352 366	20 320 465
Adult/continuing education	107 739	115 452	105 807	133 419	150,217	132 281	149 490	8 770	0	0
Support services										
Pupil support services	1 208,202	1 228 128	1 451,426	1,644 126	1 605 941	2,450 846	3 196 266	4,099 771	5 267 441	4 650 927
Instructional staff support	2 920 386	2 841 233	2 762 940	2,992,461	2 852 134	3 552,709	4 388 127	5 058 454	4,863 102	4,371 112
General administration	1 588,270	1 549,555	1 546 415	1 705,463	1 441 594	1 810 948	2 082,881	2 308 525	2,965 378	3,505 678
School administration	2 344 862	2 557 467	2 662 902	3 034 275	2 973 792	4 093 880	4 307 502	5 388 183	5 417 468	4 786 840
Business services	569 196	671 023	704 628	824 294	810 112	1 054 106	1 206 676	1 613 261	1 661 215	1,453 055
Plant services	3 926,626	3 984 059	4 379 507	4,630,717	4 673 123	6,497,050	9 749 430	9 308 603	10 639 508	7 819,247
Student transportation services	2 841,218	3 019 097	3 303,256	3,786 831	3 530 902	5 116,331	5 454 720	6 429 010	7 150 936	5 815 375
Central services	156 055	168 715	161 798	189 642	215 858	250 518	290 632	351 811	453,419	381 144
Food services	2 712 905	2 995 400	2 970 622	3 152 776	3 712 780	3 980 066	4 022 065	4 892 492	5 664 489	5 429 639
Community services	0	0	45 336	0	0	0	0	0	0	0
Interest on long-term debt	598 643	803,126	948 763	869 372	1 349 988	1 510 974	1 457,915	1 642 961	2,070 437	1 899 177
Total expenses	<u>44 366 812</u>	<u>47 798 333</u>	<u>49 057 668</u>	<u>53 819 696</u>	<u>55,380,236</u>	<u>70 103 737</u>	<u>81 227,959</u>	<u>95 693 440</u>	<u>104 773 798</u>	<u>92 919 940</u>
Program Revenues										
Charges for services										
Food Service Operations	285 847	308 800	333 823	345 165	365 161	361 729	348 525	336,417	353 944	331 244
Operating Grants and Contributions	7 788 406	9 733 113	9 380 506	8 864 685	9 864 073	10 181 671	10 582 869	9 282 812	9 725 739	9 629 581
Capital Grants and Contributions	0	0	0	0	0	0	10 578	0	0	0
Total program revenues	<u>8 074 253</u>	<u>10 041 913</u>	<u>9 714 329</u>	<u>9 209 850</u>	<u>10 229,234</u>	<u>10 543,400</u>	<u>10 941 972</u>	<u>9 619 229</u>	<u>10 079 683</u>	<u>9 960 825</u>
Net (Expense) / Revenue	<u>(36 292 559)</u>	<u>(37 756 420)</u>	<u>(39 343,339)</u>	<u>(44 609 846)</u>	<u>(45 151,002)</u>	<u>(59 560 337)</u>	<u>(70 285 987)</u>	<u>(86 074,211)</u>	<u>(94 694 115)</u>	<u>(82 959,115)</u>
General Revenues and Other Changes in Net Assets										
Taxes										
Ad valorem taxes levied for general purposes	8 034 583	8 427,720	8,890 004	9 553,227	11 746 663	14 409 769	17 621,599	18 407 215	26,537,124	38 352 971
Ad valorem taxes levied for debt service purposes	1 858 337	2 818 816	3 133 086	3 305 724	4 371 078	3 167 309	3 197 010	3 234 949	1 240 862	1 739 632
Sales taxes levied for capital improvement	1 612 100	833,299	1 311 346	2,184,262	2,282 071	4 986,371	19 565 500	29 433 938	3,590 603	0
Sales taxes levied for salaries benefits and general purposes	6 456 774	7 463,902	8 500 387	11 492 048	11 683,285	22 994,901	34 532 412	43 652 840	44,568 581	21 954 012
Grants and contributions not restricted to specific programs	19 070 398	19 950 107	21 154 677	22 335 975	24 354 604	26 029 606	22 434 720	21 106 462	10 851 557	11 145 435
Interest and investment earnings	153 895	503 548	1 128 030	1 188 346	1 348 832	778 620	360 648	412 402	353 014	293 366
Miscellaneous	315 262	604,330	(1 144 609)	489 446	761 998	826 382	6,692,883	2,983 897	1 274,231	815,105
Total	<u>37,501,349</u>	<u>40 601 722</u>	<u>42,972 921</u>	<u>50 549 028</u>	<u>56,548 531</u>	<u>73 192 958</u>	<u>104 404 772</u>	<u>119 231 703</u>	<u>88 415 972</u>	<u>74,300 521</u>
Change in Net Assets/Position	<u>\$ 1,208 790</u>	<u>\$ 2 845 302</u>	<u>\$ 3 629,582</u>	<u>\$ 5 939 182</u>	<u>\$ 11 397,529</u>	<u>\$ 13 632 621</u>	<u>\$ 34 118 785</u>	<u>\$ 33 157 492</u>	<u>\$ (6 278 143)</u>	<u>\$ (8 658 594)</u>

Notes GASB Statement No 63 was implemented for the year ended June 30 2013 The statement changed the term net assets to net position

Table 3

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Unreserved	\$ 6,062,882	\$ 6,088,080	\$ 5,893,616	\$ 5,899,760	\$ 7,521,542	\$ 8,951,441	\$ 11,705,134	\$ 0	\$ 0	\$ 0
Committed	0	0	0	0	0	0	0	5,359,185	7,378,020	8,332,985
Unassigned	0	0	0	0	0	0	0	8,795,733	4,732,383	3,823,067
Total general fund	<u>6,062,882</u>	<u>6,088,080</u>	<u>5,893,616</u>	<u>5,899,760</u>	<u>7,521,542</u>	<u>8,951,441</u>	<u>11,705,134</u>	<u>14,154,918</u>	<u>12,110,403</u>	<u>12,156,052</u>
All Other Governmental Funds										
Reserved	1,262,632	1,866,994	2,124,728	2,355,751	2,897,072	1,497,646	2,064,802	0	0	0
Unreserved reported in										
Special revenue funds	1,062,945	1,365,951	2,046,322	2,750,726	1,996,273	4,204,092	6,653,495	0	0	0
Capital projects funds	1,337,522	13,130,941	10,761,121	4,673,513	24,620,216	18,527,102	29,786,056	0	0	0
Nonspendable	0	0	0	0	0	0	0	29,202	44,428	46,550
Restricted	0	0	0	0	0	0	0	5,332,308	4,794,261	3,433,777
Committed	0	0	0	0	0	0	0	44,540,001	48,645,926	38,081,573
Total all other governmental funds	<u>\$ 3,663,099</u>	<u>\$ 16,363,886</u>	<u>\$ 14,932,171</u>	<u>\$ 9,779,990</u>	<u>\$ 29,513,561</u>	<u>\$ 24,228,840</u>	<u>\$ 38,504,353</u>	<u>\$ 49,901,511</u>	<u>\$ 53,484,615</u>	<u>\$ 41,561,900</u>

Notes GASB Statement No. 54 was implemented for the year ended June 30, 2011

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Ad valorem taxes	\$ 9,892,920	\$ 11,246,536	\$ 12,023,090	\$ 12,858,951	\$ 16,117,741	\$ 17,577,078	\$ 20,818,609	\$ 21,642,164	\$ 27,777,986	\$ 40,092,603
Sales & use taxes	8,068,874	8,297,201	9,811,733	13,676,310	13,965,356	27,981,272	54,097,912	73,086,778	48,159,184	21,954,012
Investment Earning	143,031	434,552	1,024,184	993,455	1,176,257	644,781	318,142	397,192	346,615	279,506
Other Revenues	729,049	973,706	1,133,677	834,980	1,127,159	1,257,591	7,058,802	3,500,532	1,791,341	1,187,086
Total revenues from local sources	18,833,874	20,951,995	23,992,684	28,363,696	32,386,513	47,460,722	82,293,465	98,626,666	78,075,126	63,513,207
Revenue from state sources										
Equalization	18,765,973	19,646,115	20,793,596	22,028,299	24,031,093	25,221,571	22,094,768	19,965,412	10,471,365	10,823,969
Other	1,272,798	1,731,134	2,223,850	1,930,126	3,195,205	3,747,183	2,075,354	1,137,543	835,171	947,804
Total revenue from state sources	20,038,771	21,377,249	23,017,446	23,958,425	27,226,298	28,968,754	24,170,122	21,102,955	11,306,536	11,771,773
Revenue from federal sources	6,820,033	8,305,971	7,517,737	7,242,235	6,992,379	7,242,523	8,858,045	9,286,319	9,270,760	9,003,243
Total Revenues	45,692,678	50,635,215	54,527,867	59,564,356	66,605,190	83,671,999	115,321,632	129,015,940	98,652,422	84,288,223
Expenditures										
Current										
Instruction services	24,758,911	26,811,616	26,921,281	29,504,417	32,839,633	38,850,042	50,891,084	53,297,703	53,749,647	48,213,547
Pupil support services	1,230,744	1,229,815	1,418,410	1,611,725	1,906,963	2,476,298	3,532,844	3,931,865	5,107,524	4,574,810
Instructional staff support	2,959,256	2,821,547	2,698,530	2,942,931	3,024,053	3,687,172	5,265,600	5,199,099	4,594,788	4,170,327
General administration	1,038,630	1,541,470	1,459,887	1,680,587	1,510,262	1,827,664	2,325,879	2,329,659	2,852,984	3,183,989
School administration	2,306,505	2,474,148	2,616,251	2,927,541	3,369,398	4,036,247	5,015,925	5,530,332	5,066,873	4,443,840
Business services	575,160	656,261	688,456	795,579	881,124	1,057,991	1,431,658	1,592,058	1,511,259	1,360,437
Plant services	3,929,564	3,951,660	4,359,839	4,567,788	5,057,181	6,555,621	10,504,160	8,301,223	8,500,347	7,449,282
Student transportation services	2,775,058	2,802,916	3,046,073	3,429,902	3,891,662	5,002,913	6,734,565	6,737,076	7,340,024	5,750,750
Food service	2,631,543	2,889,290	2,841,729	3,006,551	3,703,963	3,937,929	4,268,497	4,889,795	5,054,362	4,827,576
Central services	156,139	181,576	157,882	180,804	208,540	246,863	335,505	347,032	435,279	378,422
Community services	0	0	45,336	0	0	0	0	0	0	0
Capital Outlay	1,239,588	1,370,616	5,358,251	9,712,131	3,591,227	14,768,806	14,189,973	19,624,082	14,366,680	7,407,160
Debt service										
Interest	656,225	647,726	987,059	892,437	1,030,831	1,613,275	1,442,518	1,646,074	1,672,345	1,913,579
Principal	2,211,000	2,327,000	2,478,000	2,668,000	3,235,000	3,466,000	1,407,000	1,743,000	1,810,000	2,455,000
Total Expenditures	46,468,323	49,705,641	55,076,984	63,920,393	64,249,837	87,526,821	107,345,208	115,168,998	112,062,112	96,128,719
Excess of revenues over (under) expenditures	(775,645)	929,574	(549,117)	(4,356,037)	2,355,353	(3,854,822)	7,976,424	13,846,942	(13,409,690)	(11,840,496)
Other Financing Sources (Uses)										
Proceeds from borrowing	0	12,000,000	0	0	19,000,000	0	9,052,782	0	15,348,279	0
Proceeds from refunding	4,205,000	0	1,650,000	0	0	0	0	0	5,190,000	3,585,000
Payments to escrow agent	(4,245,784)	0	(1,650,000)	0	0	0	0	0	(5,190,000)	(3,621,570)
Transfers in	285,860	1,138,315	1,698,232	1,567,777	1,552,500	6,308,139	3,109,966	438,080	1,970,660	9,646,120
Transfers out	(1,020,617)	(1,341,905)	(2,775,296)	(2,357,777)	(1,552,500)	(6,308,139)	(3,109,966)	(438,080)	(2,370,660)	(9,646,120)
Total other financing sources (uses)	(775,541)	11,796,410	(1,077,064)	(790,000)	19,000,000	0	9,052,782	0	14,948,279	(36,570)
Net change in fund balances	\$ (1,551,186)	\$ 12,725,984	\$ (1,626,181)	\$ (5,146,037)	\$ 21,355,353	\$ (3,854,822)	\$ 17,029,206	\$ 13,846,942	\$ 1,538,589	\$ (11,877,066)
Debt service as a percentage of noncapital expenditures	6.3%	6.2%	7.0%	6.6%	7.0%	7.0%	3.1%	3.5%	3.6%	4.9%

Table 5

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Less Homestead Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2004	\$ 35,557,259	\$ 114,035,783	\$ 53,441,022	\$ 32,404,785	\$ 170,629,279	144 06	\$ 1,799,556,416	11 28%
2005	59,504,951	98,322,204	47,215,983	33,441,125	171,602,013	161 81	1,832,435,444	11 19%
2006	61,861,605	108,310,812	46,657,286	34,462,705	182,366,998	161 56	1,710,413,588	12 68%
2007	64,236,108	112,666,610	48,076,717	35,462,783	189,516,652	159 80	1,790,844,660	12 56%
2008	67,122,274	123,087,517	83,224,404	36,296,280	237,137,915	160 56	2,136,157,852	12 80%
2009	70,879,823	174,617,824	84,278,538	38,051,137	291,725,048	96 94	2,598,564,280	12 69%
2010	74,404,978	231,491,956	91,265,482	38,654,478	358,507,938	76 06	3,140,615,771	12 65%
2011	77,300,095	304,373,419	90,019,550	39,007,112	432,685,952	67 56	3,791,004,881	12 44%
2012	80,861,291	464,080,588	90,148,086	39,328,962	595,761,003	49 56	5,323,371,501	11 93%
2013	85,253,612	535,471,367	74,218,241	39,794,273	655,148,947	64 66	6,024,679,613	11 53%

Source DeSoto Parish Tax Assesor Agency

Notes

- (1) Property in the parish is reassessed every four years Reassessments were done in the 2004 and 2008 calendar years
Calendar year 2004 is the June 30, 2005 fiscal year
Calendar year 2008 is the June 30, 2009 fiscal year
- (2) Assessed values are established by the Assessor each year on a uniform basis at the following ratios of assessed value to actual value
10% land
10% residential improvements
15% industrial improvements
15% machinery
15% commercial improvements
25% public service properties, excluding land
28% agricultural class property
- (3) Tax rates are per \$1,000 of assessed value

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Table 6

Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate						Overlapping Rates	
	Operating Millage	Debt Service Millage					DeSoto Parish Police Jury	City of Mansfield
		No 1	No 2	No 3	No 4	No 5		
2004	47 56	24 00	7 00	20 50	9 00	36 00	18 41	16 82
2005	48.56	24 00	22 00	23 00	10 25	34 00	18 39	16 82
2006	48 56	24 00	21 75	21 75	11 50	34 00	18 39	16 82
2007	49 55	23 00	20 75	20 50	12 00	34 00	18 39	16 82
2008	48 56	22 00	16 00	20 50	19 50	34 00	18 39	16 82
2009	48 56	2 63	9 25	5 50	19 50	11 50	17 86	16 61
2010	48 56	0 00	9 25	1 25	17 00	0 00	17 86	16 61
2011	43 56	0 00	8 75	0 75	14 50	0 00	17 86	16 61
2012	43 56	0 00	3 00	0 00	3 00	0 00	16 88	16 61
2013	56 66	0 00	3 00	0 00	5 00	0 00	16 77	16 44

Source DeSoto Parish Tax Assesor Agency

Notes

- (1) School district debt service millage is for individual school districts
- (2) The above schedule does not include water districts, fire districts, forestry districts, or levee districts
- (3) Overlapping rates are those of city and parish governments that apply to property owners within DeSoto Parish
Not all overlapping rates apply to all property owners

Table 7

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Principal Property Taxpayers
June 30, 2013 and Nine Years Ago

Taxpayer	Fiscal Year 2013			Fiscal Year 2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Exco Production Company	\$ 65,210,954	1	9 95 %			
Chesapeake Operating Inc	51,381,750	2	7 84			
International Paper Co	42,840,430	3	6 54	\$ 34,322,934	1	20 12 %
El Paso E & P Company LP	42,350,912	4	6 46	4,530,736	4	2 66
Acadian Gas Pipeline Sys	30,144,780	5	4 60			
Southwestern Electric LP	22,225,259	6	3 39	27,707,758	3	16 24
Enterprise Gathering, LLC	20,922,773	7	3 19			
Cleco Power LLC	19,993,723	8	3 05	30,780,464	2	18 04
Comstock Oil & Gas	17,735,283	9	2 71			
Chesapeake Midstream	15,055,083	10	2 30			
Dolet Hills Mining Venture				4,031,600	5	2 36
J-W Operating				2,751,381	6	1 61
Northeast Texas Electric				2,751,660	7	1 61
Bell South Telecommunications				2,504,230	8	1 47
Winchester Production Co				2,249,520	9	1 32
BP America Production				1,919,220	10	1 12
Totals	\$ 327,860,947		50 04 %	\$ 113,549,503		66 55 %

Source DeSoto Parish Tax Assessor Agency

Table 8

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 9,656,305	\$ 9,497,701	98.36%	\$ 158,604	\$ 9,656,305	100.00%
2005	11,199,232	11,022,061	98.42%	62,949	11,085,010	98.98%
2006	12,072,270	11,780,059	97.58%	18,558	11,798,617	97.73%
2007	12,729,706	12,598,512	98.97%	N/A	12,598,512	98.97%
2008	15,915,773	15,821,447	99.41%	12,163	15,833,610	99.48%
2009	17,356,378	17,243,258	99.35%	52,619	17,295,877	99.65%
2010	20,618,149	20,348,752	98.69%	51,426	20,400,178	98.94%
2011	22,188,330	21,596,738	97.33%	56,299	21,653,037	97.59%
2012	27,189,012	27,109,628	99.71%	3,096	27,112,724	99.72%
2013	38,853,245	38,826,128	99.93%	N/A	38,826,128	99.93%

Source: DeSoto Parish Sheriff (ex-officio tax collector)

N/A - Information is not yet available

Table 9

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Sales and Use Tax Rates and Collections - All Governments
Last Ten Fiscal Years

Fiscal Year	Sales and Use Tax Rates						Tax Collections					
	Parishwide			Municipalities			Parishwide			Municipalities		
	School Board	Police Jury	Law Enforcement District	Mansfield	Other	Total Rate	School Board	Police Jury	Law Enforcement District (5)	Mansfield	Other	Total Collections
2004	2.50%	1.00%	0	1.00%	3.00%	4.50%	\$ 7,833,361	\$ 3,141,382	\$ 0	\$ 751,352	\$ 257,921	\$ 11,984,016
2005	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	8,113,931	3,247,301	1,036,038	769,587	328,298	13,495,155
2006	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	9,635,507	3,858,636	1,903,864	878,337	357,982	16,634,326
2007	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	13,480,208	5,394,684	2,645,792	1,024,391	469,773	23,014,847
2008	2.50%	1.00%	0.50%	1.00%	3.00%	5.00%	13,850,262	5,541,825	2,748,825	1,034,387	461,324	23,636,623
2009	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	25,810,503	10,382,643	5,162,962	1,418,932	650,807	43,425,848
2010	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	50,637,444	20,256,897	10,121,940	2,088,200	944,490	84,048,971
2011	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	72,757,851	29,103,717	14,551,222	2,543,632	1,069,701	120,026,123
2012	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	53,414,120	21,365,989	10,675,856	2,970,180	959,529	89,385,675
2013	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	22,295,660	8,919,135	4,460,406	1,937,732	730,931	38,343,864

Notes

- (1) Information provided by DeSoto Parish Sales and Use Tax Commission
- (2) Total rate represents the maximum amount that may be assessed by local taxing authorities. These rates do not include the state sales and use tax rate.
- (3) The Municipalities - Other column includes 1% each for Logansport, South Mansfield, and Stonewall. New sales and use tax levies of 1% each for Grand Cane and Keatchi were effective January 1, 1997.
- (4) Sales tax collections reported by the DeSoto Sales and Use Tax Commission are on the cash basis.
- (5) The Law Enforcement District is a new sales and use tax levy of 1/2% effective 10/1/2004.

Table 10

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Sales Tax Revenue Bonds</u>	<u>Limited Tax Revenue Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Total Debt Outstanding</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2004	\$ 15,525,000	\$ 139,000	\$ 0	\$ 2,485,000	\$ 18,149,000	3 38%	555
2005	22,960,000	122,000	0	2,255,000	25,337,000	4 48%	880
2006	20,825,000	104,000	0	2,015,000	22,944,000	3 81%	793
2007	18,425,000	86,000	0	1,765,000	20,276,000	3 18%	768
2008	34,475,000	66,000	0	1,500,000	36,041,000	5 32%	1,372
2009	31,305,000	45,000	0	1,225,000	32,575,000	4 57%	1,234
2010	30,205,000	23,000	9,000,000	940,000	40,168,000	5 34%	1,521
2011	29,055,000	0	8,730,000	640,000	38,425,000	4 75%	1,442
2012	28,225,000	15,000,000	8,450,000	325,000	52,000,000	6 72%	1,939
2013	27,175,000	14,485,000	8,528,091	0	50,188,091	6 12%	1,861

Notes

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements
- (2) See the Schedule of Demographics and Economic Statistics for personal income and population data (Table 14)

Table 11

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General and Limited Tax Revenue Obligation Bonds	Less Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$ 15,525,000	\$ 1,239,870	\$ 14,285,130	0.79%	550
2005	22,960,000	1,849,935	21,110,065	1.15%	805
2006	20,825,000	2,098,334	18,726,666	1.09%	710
2007	18,425,000	2,333,147	16,091,853	0.90%	610
2008	34,475,000	2,882,156	31,592,844	1.48%	1,203
2009	31,305,000	1,467,911	29,837,089	1.15%	1,131
2010	30,205,000	2,036,060	28,168,940	0.90%	1,067
2011	29,055,000	3,758,781	25,296,219	0.67%	949
2012	36,675,000	2,862,210	33,812,790	0.64%	1,261
2013	35,703,091	2,523,069	33,180,022	0.55%	1,231

Notes

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements
- (2) General Obligation Bonds column excludes sales tax bonds and certificates of indebtedness
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population data (Table 14)
- (4) Amounts available in debt service funds includes the fund balance of all debt service funds except the No. 2 2012 issue fund which is the sales tax debt service fund

Table 12

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
DeSoto Parish Police Jury	\$ 16,080	100 00%	\$ 16,080
City of Mansfield	8,078,527	100 00%	8,078,527
Subtotal, overlapping debt			<u>8,094,607</u>
DeSoto Parish School Board Direct Debt			<u>50,188,091</u>
Total direct and overlapping debt			<u>\$ 58,282,698</u>

Sources Debt outstanding data extracted from annual financial report of respective governments

Notes

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School Board. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School Board.
- (2) Various tax districts exist within DeSoto Parish that involve a small percentage of parish taxpayers. These districts' debt is not included as the amounts and impact on this schedule is not significant.
- (3) Debt outstanding includes all general bonded debt, certificates of indebtedness, sales tax bonds, and limited tax revenue bonds.
- (4) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining a portion of another governmental unit's taxable assessed value that is within the parish boundaries and dividing it by each unit's total taxable assessed value.

Table 13

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Legal Debt Margin Information
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 70,987,859	\$ 71,677,035	\$ 75,996,846	\$ 78,742,802	\$ 95,701,968	\$ 115,421,665	\$ 139,006,846	\$ 165,092,572	\$ 222,281,488	\$ 243,230,127
Total net debt applicable to limit	13,040,000	21,110,065	18,726,666	16,091,853	31,592,844	29,837,089	28,168,940	25,296,219	33,812,790	33,180,022
Legal debt margin	\$ 57,947,859	\$ 50,566,970	\$ 57,270,180	\$ 62,650,949	\$ 64,109,124	\$ 85,584,576	\$ 110,837,906	\$ 139,796,353	\$ 188,468,698	\$ 210,050,105
Total net debt applicable to the limit as a percentage of debt limit	18.37%	29.45%	24.64%	20.44%	33.01%	25.85%	20.26%	15.32%	15.21%	13.64%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 655,148,947
Add back exempt real property	39,794,273
Total assessed value	694,943,220
Debt limit (35% of total assessed value)	243,230,127
Debt applicable to limit	
General Obligation bonds	35,703,091
Less Amount set aside for repayment of general obligation debt	2,523,069
Total net debt applicable to limit	33,180,022
Legal debt margin	210,050,105

Source DeSoto Parish Tax Assessor

Notes

(1) The debt limit is 35% of total assessed value. This percentage is in accordance with Act 103 of 1980 Regular Session of the Louisiana Legislature R.S. 39:562 (C).

Table 14

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Percentage on Free & Reduced Meals</u>	<u>Unemployment Rate</u>
2004	25,990	\$ 537,360,000	\$ 20,676	5,003	N/A	10.5 %
2005	26,231	565,986,000	21,577	5,058	N/A	7.5 %
2006	26,383	602,010,000	22,818	5,016	N/A	5.5 %
2007	26,390	637,078,000	24,141	5,008	63.12 %	5.5 %
2008	26,269	677,131,000	25,777	4,881	66.50 %	7.6 %
2009	26,388	715,563,396	27,117	4,885	67.05 %	6.8 %
2010	26,401	752,111,688	28,488	4,925	66.64 %	7.9 %
2011	26,656	808,156,608	30,318	4,923	65.60 %	8.9 %
2012	26,812	773,687,072	28,856	5,040	63.40 %	7.8 %
2013	26,963	820,133,571	30,417	5,155	63.60 %	8.3 %

Sources

- (1) Population data obtained from the U S Census Bureau
- (2) School enrollment and free and reduced meals data obtained from Louisiana Department of Education
- (3) Unemployment rate obtained from U S Department of Labor
- (4) Personal Income data obtained from [www stats indiana edu](http://www.stats.indiana.edu)

Table 15

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Principal Employers

Current Year and 2004

	2013			2004		
	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>
DeSoto Parish School Board	881	1	8.47%	795	1	7.76%
International Paper	673	2	6.47%	525	2	5.13%
Wal-mart Supercenter	311	3	2.99%	78	9	0.76%
Dolet Hills Lignite Mill	253	4	2.43%	186	5	1.82%
DeSoto Regional Health System	248	5	2.39%	185	6	1.81%
DeSoto Parish Police Jury	198	6	1.90%	77	10	0.75%
DeSoto Sheriff Department	117	8	1.13%			
Louisiana State Civil Service	103	9	0.99%			
Mansfield Nursing Center	85	10	0.82%			
Hendrix Manufacturing				126	7	1.23%
Georgia Pacific				327	3	3.19%
Kellog - Brown & Root				240	4	2.34%
Dolet Hills Power Plant				100	8	0.98%

Source: North East Louisiana Economic Partnership

Notes

(1) Employment data obtained from U.S. Department of Labor

Table 16

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Building Information
June 30, 2013

Form of Government Parish School Board
Geographic Area 879 Square Miles
Population 26,963
Public School Enrollment 5,249

<u>Instructional Sites</u>	<u>Date Constructed</u>	<u>School District</u>	<u>Grades Taught</u>	<u>Capacity Sq Ft</u>	<u>Acreage</u>	<u>No of Rated Classrooms</u>	<u>Student Capacity</u>
High Schools							
DeSoto Alternative	1998	#4	9-12	19,507	4 20	10	130
Logansport	1992	#1	Pre K-12	124,197	53 47	64	990
Mansfield	2009	#4	9-12	137,472	27 34	44	690
North DeSoto	1982	#2	9-12	146,092	37 57	45	720
Stanley	1991	#3	Pre K-12	66,320	40 00	30	500
Middle Schools							
Mansfield	1994	#4	Pre K-8	216,878	140 30	110	1,800
North DeSoto	2007	#2	6-8	75,178	41 56	30	900
Elementary Schools							
North DeSoto PK-2	1988	#2	Pre K-2	65,782	53 26	43	720
North DeSoto 3-5	1994	#2	3-5	70,078	15 00	32	650
Total Instructional Sites				<u>921,504</u>	<u>412 70</u>	<u>408</u>	<u>7,100</u>
<u>Non-Instructional Sites</u>	<u>Date Constructed</u>	<u>Number of Buildings</u>	<u>Capacity Sq Ft</u>	<u>Acreage</u>	<u>No of Rated Rooms</u>		
Testing & Adult Ed	1975	1	7,200	0 50	3		
Central Office	1956	1	5,287	1 13	16		
Central Office Warehouse	1956	1	4,000	0 30	4		
Maintenance	2009	2	19,734	1 74	10		
Instructional Materials Center	1969	1	14,950	3 36	18		
Media Center Warehouse	1981	1	9,200	0 25	2		
Special Services Building	1981	1	10,020	1 15	16		
Transportation/food service facility	2010	2	14,592	9 00	18		
Total Non-Instructional Sites			<u>84,983</u>	<u>17 43</u>	<u>87</u>		

Source DeSoto Parish School Board

Table 17

DESOTO PARISH SCHOOL BOARD
Mansfield Louisiana

School Personnel
Fiscal Years Ended June 30 2004 through June 30, 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Teachers										
Less than a Bachelor's degree	0	0	3	4	3	3	4	3	1	1
Bachelor	291	274	265	267	253	257	278	274	283	271
Master	52	56	66	68	67	66	71	76	85	91
Master +30	26	23	20	19	21	25	23	22	29	23
Specialist in Education	3	3	3	3	3	4	3	3	4	3
Ph D or Ed D	2	1	1	2	2	1	1	2	0	1
Total	374	357	358	363	349	356	380	380	402	390
Principals & Assistants										
Bachelor	1	1	3	3	3	2	1	0	1	0
Master	11	11	11	11	12	13	10	1	13	11
Master +30	12	12	11	10	11	12	13	14	12	11
Specialist in Education	0	0	0	0	0	0	0	12	0	0
Ph D or Ed D	0	0	0	0	0	0	0	0	0	0
Total	24	24	25	24	26	27	24	27	26	22

Source: Agreed upon procedures report on performance and statistical data accompanying the annual financial statements

Table 18

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Operating Statistics
For the Fiscal Years Ended June 30, 2004 through June 30, 2013

Fiscal Year Ended June 30	Expenses	PreK - 12 Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2004	\$ 44,366,812	5,003	\$ 8,868	2.06%	374	13.38
2005	47,798,333	5,058	9,450	6.56%	357	14.17
2006	49,057,668	5,016	9,780	3.49%	358	14.01
2007	53,819,696	5,024	10,713	9.53%	363	13.84
2008	55,380,236	4,881	11,346	5.91%	349	13.99
2009	70,103,737	4,885	14,351	26.48%	356	13.72
2010	81,227,959	4,925	16,493	14.93%	380	12.96
2011	95,693,440	4,923	19,438	17.86%	380	12.96
2012	104,773,798	5,097	20,556	5.75%	402	12.68
2013	92,919,940	5,155	18,025	-12.31%	390	13.22

Source: Agreed upon procedures report on performance and statistical data accompanying the annual financial statements

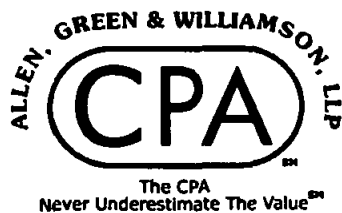
Notes

- (1) Expenses are on full accrual and is extracted from Table 2, Changes in Net Assets
- (2) Enrollment is extracted from Table 14, Demographic and Economic Statistics
- (3) Teaching staff is extracted from Table 17, School Personnel

Table 19

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Schedule of Insurance in Force
June 30, 2013

Type of Coverage/ Name of Company	Policy Number	Policy Period		Details of Coverage and Coinsurance	Coverage Limits	2011-12	2012-13
		From	To			Premium	Premium
Property damage RSUI Indemnity Co	NHD378450	10/1/2012 – 9/30/2013		Blanket coverage– all property \$100,000 deductible <i>Includes EDP Coverage</i> Includes Auto PD Catastrophic Cov \$100,000 deductible	\$ 141,914,975 Citizens Assess \$ 6 310.271	\$ 123,847 \$ 4,763 In Property	\$ 136,500 \$ 5,070 In Property
EDP and Musical Instruments RSUI Indemnity Co	See Property	10/1/2012 – 9/30/2013		Blanket coverage – all property \$5,000 deductible	\$ 4,433,481	Included in Property	Included in Property
Property loss and damage Hartford	FBP7346153	10/1/2012 – 9/30/2013		Boilers and electric motors \$2,500 deductible	\$ 6,250,000	\$ 12,459	\$ 9,127
General liability LARMA	LA110-J	10/1/2012 – 9/30/2013		All property and employees \$25,000 deductible per occur	\$ 1,000,000 per occurrence \$3,000,000 aggregate	\$ 74,194	\$ 76,604
Auto/Fleet LARMA	LA110-J	10/1/2012 – 9/30/2013		Specified vehicles \$2,500 deductible (comprehensive) \$2,500 deductible (collision) \$5,000 Medical Payments/person \$85,000 Per Occurrence	\$ 1,000,000 liability w/ \$10,000 deductible \$55,000 PD per occ 165K Annual Agg	\$ 146,848	\$ 160,529
Public Employees Blanket Bond Great American	GVT554410209	10/1/2012 – 9/30/2013		All School Board employees \$2,500 deductible	\$ 100,000	\$ 3,178	\$ 3,337
School Board Legal Liability LARMA	LA110-J	10/1/2012 – 9/30/2013		Errors and omissions coverage \$25,000 deductible	\$ 1,000,000	\$ 19,446	\$ 20,428
Worker's Compensation Safety National Casualty Co	AGC-4046335	7/1/2012 – 6/30/2013		Blanket coverage – all employees Self-insured retention \$350,000	\$ 1,000,000	\$ 45,025	\$ 46,750



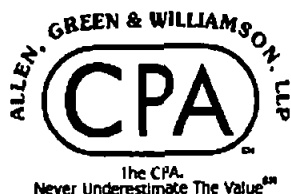
**DeSoto Parish School Board
Mansfield, Louisiana**

**Compliance with Single Audit Act Amendment of 1996
And Other Information
For the Year Ended June 30, 2013**

**ALLEN, GREEN & WILLIAMSON, LLP
CERTIFIED PUBLIC ACCOUNTANTS
MONROE**

**DeSoto Parish School Board
Table of Contents**

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	5-6
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 OMB Circular A-133	7-9
Schedule of Expenditures of Federal Awards	10-11
Notes to the Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13-17
 OTHER INFORMATION	
Corrective Action Plan for Schedule of Findings and Questioned Costs	18-19
Status of Prior Management Letter Item	20-21
Corrective Action Plan	22-25
Independent Accountant's Report on Applying Agreed Upon Procedures	27-29
School Board Prepared Schedules of Performance and Statistical Data	30-40



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P O Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe LA 71201

Telephone (318) 388-4422

Fax (318) 388-4664

Toll-free (888) 741-0205

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA

Matt Carmichael CPA
Jaime Esswein, CPA, CFE
Jauricia Mercer CPA, CFE
Roomi Shakir, CPA
Cindy Thomason CPA

Ernest L. Allen, CPA
(Retired) 1963 2000

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

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeSoto Parish School Board as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 14, 2013

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 School Board's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002 and 2013-003 that we consider to be significant deficiencies.

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*.

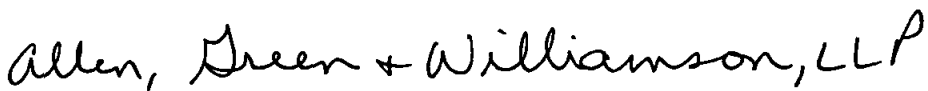
The School Board's Response to Findings

The School Board's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

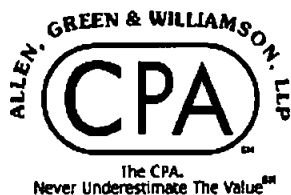
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2013



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P O Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone (318) 388-4422

Fax (318) 388-4664

Toll-free (888) 741-0205

Tim Green, CPA
Marge Williamson, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA

Matt Carmichael, CPA
Jaime Esswein, CPA, CFE
Jauncia Mercer CPA, CFE
Roomi Shakir, CPA
Cindy Thomason CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

**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 OMB Circular A-133**

Independent Auditor's Report

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

Report on Compliance for Each Major Federal Program

We have audited DeSoto Parish School Board's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2013. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each 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, 2013

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 14, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2013

**DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Grantor No</u>	<u>Pass-Through Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education			
Child Nutrition Cluster			
Non Cash Assistance (Commodities)			
National School Lunch Program	10 555	N/A	\$ 160,240
Cash Assistance			
School Breakfast Program	10 553	N/A	416,348
National School Lunch Program	10 555	N/A	1,340,743
Total United States Department of Agriculture			<u>1,917,331</u>
Passed Through Louisiana Department of Education			
Title I Part A Cluster			
Basic Grant Program	84 010	28-11-TA-16	42,650
		28-12-TA-16	14,446
		28-13-TI-16	1,501,240
Title I ARRA	84 389	28-14-TI-16	<u>70,649</u>
			1,628,985
Special Education Cluster			
State Grants – Part B	84 027	28-13-BI-16	892,062
		28-14-BI-16	52,830
		28-13-IB-16	66,038
Preschool Grants	84 173	28-13-PI-16	<u>16,881</u>
			1,027,811
Title II Math & Science Partnerships	84 366	28-12-MP-09	2,271
Improving Teacher Quality (Title II)	84 367	28-13-50-16	295,566
Vocational Education Basic Grants To States	84 048	28-13-02-16	67,949
English Language Acquisition Grant (Title III)	84 365	28-12-60-16	2,263
		28-13-60-16	<u>4,807</u>
			7,070

(Continued)

**DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Grantor No		Pass-Through Expenditures
School Improvement Grant Cluster				
School Improvement	84 377	28-11-TC-16	126,476	
		28-11-TC-16	103,552	
School Improvement- ARRA	84 388	28-09-TG-16	280,968	
		28-09-TG-16	<u>229,082</u>	740,078
Teacher Incentive Fund	84 374	28-11-TD-16	945,529	
		28-11-TE-16	<u>1,310,532</u>	2,256,061
Race to the Top- Phase 3	84 413	28-12-RT-16		<u>22,445</u>
Total United States Department of Education				<u>6,048,236</u>
United States Department of Health and Human Services				
Passed Through the Louisiana Department of Education				
Payments to States for Child Care Assistance				
Temporary Assistance for Needy Families (TANF)	93 558	28-12-36-16	874,005	
		28-12-JS-16	<u>50,714</u>	<u>924,719</u>
Total United States Department of Health and Human Services				<u>924,719</u>
United States Department of Defense				
Jr ROTC	12 UKN			<u>112,957</u>
TOTAL FEDERAL AWARDS				<u>\$ 9,003,243</u>

(Concluded)

DeSoto Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the DeSoto Parish School Board, Mansfield, Louisiana. The DeSoto Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's financial statements as follows:

General Fund	\$ 112,957
Special Revenue	
Educational Consolidation & Improvement Act - Title I	1,628,985
Improving Teacher Quality -- Title II	297,837
Literacy Challenge - Title III	7,070
Special Education	1,027,811
Race to the Top	22,445
Teacher Incentive	2,256,061
Jobs For America's Graduates	50,714
School Food Service	1,917,331
Vocational Education	67,949
Early Childhood Development	874,005
School Improvement	740,078
Total	<u>\$ 9,003,243</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i The type of audit report issued was unmodified
- ii There were three significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America The significant deficiencies were not considered to be material weaknesses
- iii The audit disclosed no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards

Audit of Federal Awards

- iv There were no significant deficiencies required to be disclosed by OMB Circular A-133
- v The type of report the auditor issued on compliance of major federal awards was unmodified
- vi The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section 510(a)
- vii The major federal awards are
 - Title I Cluster
 - CFDA #84 010 Basic Grant
 - CFDA #84 389 ARRA Grant
 - School Improvement 1003(G) Cluster
 - CFDA #84 377 School Improvement 1003(g)
 - CFDA# 84 388 School Improvement 1003 (g) ARRA
 - CFDA #93 558 Temporary Assistance for Needy Families
- viii The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular A-133, Section 520(b) was \$300,000
- ix The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section 530

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Part II-Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **2013-001** **School Activity Funds**

Entity-Wide or program/department specific: This finding is specific to Student Activity Funds

Criteria or specific requirement: The School Board has a policy for School Activities Funds Management which states in part "The principal may assign one or more school staff member(s) to share the responsibility for assuring that accounting records are maintained in accordance with district guidelines as outlined in the School Activity Fund Manual. The system of accounting for school monies shall be in conformity with the stated accounting procedures."

Condition found: The Business Office became aware in early May 2013 that Mansfield High School owed several vendors for invoices that dated as far back as 2010. The school's bank account was also overdrawn. The Business Office completed an investigation of possible violations of the School Activity Fund procedures and noted unpaid bills totaling \$70,756.32 to 17 companies and 20 violations of the School Activity Fund procedures. Included in the 20 violations was the use of the fuel card to put gas in personal cars of coaches. Payments made by the school for the fuel card did not have supporting documentation such as the monthly statement. Some receipts were found in the records but could not be matched to a statement because the statement was missing. Also the receipts were missing for most of the purchases.

Possible asserted effect (cause and effect):

Cause: Procedures as outlined in the Board's School Activity Fund Manual were not followed at Mansfield High School.

Effect: The General Fund of the School Board paid the debt outstanding for the High School and the accounting records of the High School are not complete.

Recommendation to prevent future occurrences: All schools should adhere to the best practices stated for student activity funds in the School Board's Student Activity Funds Manual. The following changes were made to the manual by the Business Office as a result of their investigation:

- The Principal shall provide an annual review of the School Activity Fund Manual to all school level personnel.
- Purchasing or paying for fuel in non-board owned vehicles was added to the Prohibited Use section.
- A section was added for Assignment of Faculty Members to Funds, Clubs, and/or Accounts which requires that all accounts be assigned to members of the faculty except for the general fund which is assigned to the Principal. This section outlines good business practices for faculty to use in accounting for the funds they are assigned.
- A Financial Exigency and Related Matters section was added which explains steps that will be taken by the Business Office when a school encounters student activity fund problems.
- A requirement was added that monthly financial statements be given to all faculty members.
- An Athletic Event Reporting section was added which requires the school secretary to provide a recap of all money deposited for athletic events within 5 working days of the event to all head coaches of the event and the Principal.
- Clarification was added to the Purchases section which requires that approval for purchases must be written.
- A Credit, Debit, or Fuel Card section was added which details the procedures that must be followed when using cards.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: **2013-003** **Legislative Auditor's Investigation**

Entity-Wide or program/department specific: This finding is specific to the former Superintendent

Criteria or specific requirement: The Legislative Auditor's Office performed an investigation into the salary, travel, automobile expenses, and automobile lease of the former Superintendent spanning a number of years through November 2012. The automobile lease in question was terminated in the 2012 fiscal year and is outside the scope of the audit for the 2013 fiscal year. The following are School Board policies or excerpts of contracts relevant to the investigation

Travel - The Travel and Expense Reimbursement Policy states in part "employees who incur expenses in carrying out their authorized duties shall be reimbursed by the School Board upon submission of a properly filled out and approved vouchers "

Automobile Expenses - The former Superintendent's contract for the term July 1, 2011 through December 31, 2012 reads in part "the Superintendent shall also be provided the use of an automobile leased or purchased, insured, and maintained by the Board, which automobile shall be used only for travel connected with the performance of the Superintendent's duties and responsibilities. The Superintendent shall also be reimbursed for all actual expenses incurred in the performance of his duties, including gasoline and other automobile expenses, as evidenced by appropriate expense vouchers "

Superintendent's Employment Contract - The former Superintendent's contract dated March 2, 1999 specified in Section III, Salary of Superintendent, the amount to be paid to the Superintendent and has been carried forward from that time. Each contract after the 1999 contract specified that the Superintendent would receive his present salary at a specified date but did not include the salary amount. The contract in effect for the July 1, 2011 through December 31, 2012 states in Section III in part "the Superintendent shall receive his present salary at July 1, 2011 plus employer retirement contributions and such other emoluments and benefits as are provided to other certificated professional personnel of the Desoto Parish School System. In the event that certificated professional personnel of the school system receive state and/or local pay raises, then the Superintendent shall be entitled to have his annual salary increased by the amount of such state and/or local pay raises "

Condition found:

Travel - Travel expenditures for the current fiscal year for the former Superintendent were tested to ensure that the Travel and Expense Reimbursement policy was followed. Travel expenditures for the former Superintendent were charged to a credit card. Four payments on the credit card were made during the current fiscal year. Two of these payments totaling \$3,972.35 did not have the documentation required by the Travel and Expense Reimbursement policy.

Automobile Expenses - The former Superintendent used a fuel card which had been issued through the Purchasing Department. For the months of July 2012 through October 2012, \$1,625.99 was charged to the card. No expense vouchers were attached to the payments.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Superintendent's Employment Contract - Before the fiscal year begins the former Superintendent received a draft of the administrative salaries which he approved. His salary was also listed. In February 2012 he submitted a change form for his salary which included a sizable increase. His reason for the change read "Request from employee to exercise Section III of contract to begin in February 2012." It is unclear how this change met the terms of the contract.

Possible asserted effect (cause and effect):

Cause: The former Superintendent appeared to override the controls in place regarding documentation of expenditures.

Effect: The School District may have made payments which are not adequately supported or proper.

Recommendation to prevent future occurrences: As stated above the Legislative Auditor's Office is investigating expenditures of the former Superintendent over a number of years. Management of the School Board will respond to the findings in the Legislative Auditor's report.

View of Responsive Official: See response from management at page 23.

**DeSoto Parish School Board
Corrective Action Plan for Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013**

Reference # and title: **2013-001** **School Activity Funds**

Condition: The School Board has a policy for School Activities Funds Management which states in part “The principal may assign one or more school staff member(s) to share the responsibility for assuring that accounting records are maintained in accordance with district guidelines as outlined in the School Activity Fund Manual. The system of accounting for school monies shall be in conformity with the stated accounting procedures.”

The Business Office became aware in early May 2013 that Mansfield High School owed several vendors for invoices that dated as far back as 2010. The school’s bank account was also overdrawn. The Business Office completed an investigation of possible violations of the School Activity Fund procedures and noted unpaid bills totaling \$70,756.32 to 17 companies and 20 violations of the School Activity Fund procedures. Included in the 20 violations was the use of the fuel card to put gas in personal cars of coaches. Payments made by the school for the fuel card did not have supporting documentation such as the monthly statement. Some receipts were found in the records but could not be matched to a statement because the statement was missing. Also the receipts were missing for most of the purchases.

Corrective action planned: See corrective action planned at page 22

Person responsible for corrective action: See corrective action planned at page 22

Anticipated completion date: See corrective action planned at page 22

Reference # and title: **2013-002** **Controls Over Fuel Cards**

Condition: The Facilities and Operations Department uses fuel cards for lawn equipment fuel and fuel for the maintenance vehicles. According to the purchasing manual, purchases should be supported by invoices and approved.

Controls over the fuel cards for the Transportation and Facilities and Operations Departments were reviewed. The Transportation Department has procedures in place which they follow including matching receipts to the statement and reviewing the statement for exceptions noted on the statement and resolving these exceptions. In the Facilities and Operations Department receipts for fuel purchases are not being turned in to the Department so the individual receipts are not reconciled to the statement. Weekly electronic statements are received by the Department along with a monthly hard copy statement. These statements list exceptions such as when a vehicle exceeds its daily fuel limit or the odometer reading is out of sequence for the vehicle. These exceptions are not reviewed by anyone in the Facilities and Operations Department.

Corrective action planned: See corrective action planned at page 22

Person responsible for corrective action: See corrective action planned at page 22

Anticipated completion date: See corrective action planned at page 22

Reference # and title: **2013-003** **Legislative Auditor’s Investigation**

Condition: The Legislative Auditor’s Office performed an investigation into the salary, travel, automobile expenses, and automobile lease of the former Superintendent spanning a number of years through November 2012. The automobile lease in question was terminated in the 2012 fiscal year and is outside the scope of the

DeSoto Parish School Board
Corrective Action Plan for Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

audit for the 2013 fiscal year The following are School Board policies or excerpts of contracts relevant to the investigation

Travel - The Travel and Expense Reimbursement Policy states in part “employees who incur expenses in carrying out their authorized duties shall be reimbursed by the School Board upon submission of a properly filled out and approved vouchers ”

Automobile Expenses - The former Superintendent’s contract for the term July 1, 2011 through December 31, 2012 reads in part “the Superintendent shall also be provided the use of an automobile leased or purchased, insured, and maintained by the Board, which automobile shall be used only for travel connected with the performance of the Superintendent’s duties and responsibilities The Superintendent shall also be reimbursed for all actual expenses incurred in the performance of his duties, including gasoline and other automobile expenses, as evidenced by appropriate expense vouchers ”

Superintendent’s Employment Contract - The former Superintendent’s contract dated March 2, 1999 specified in Section III, Salary of Superintendent, the amount to be paid to the Superintendent and has been carried forward from that time Each contract after the 1999 contract specified that the Superintendent would receive his present salary at a specified date but did not include the salary amount The contract in effect for the July 1, 2011 through December 31, 2012 states in Section III in part “the Superintendent shall receive his present salary at July 1, 2011 plus employer retirement contributions and such other emoluments and benefits as are provided to other certificated professional personnel of the Desoto Parish School System In the event that certificated professional personnel of the school system receive state and/or local pay raises, then the Superintendent shall be entitled to have his annual salary increased by the amount of such state and/or local pay raises ”

Travel - Travel expenditures for the current fiscal year for the former Superintendent were tested to ensure that the Travel and Expense Reimbursement policy was followed Travel expenditures for the former Superintendent were charged to a credit card Four payments on the credit card were made during the current fiscal year Two of these payments totaling \$3,972.35 did not have the documentation required by the Travel and Expense Reimbursement policy

Automobile Expenses - The former Superintendent used a fuel card which had been issued through the Purchasing Department. For the months of July 2012 through October 2012, \$1,625.99 was charged to the card. No expense vouchers were attached to the payments

Superintendent’s Employment Contract - Before the fiscal year begins the former Superintendent received a draft of the administrative salaries which he approved His salary was also listed In February 2012 he submitted a change form for his salary which included a sizable increase His reason for the change read “Request from employee to exercise Section III of contract to begin in February 2012 ” It is unclear how this change met the terms of the contract

Corrective action planned: See corrective action planned at page 23

Person responsible for corrective action: See corrective action planned at page 23

Anticipated completion date: See corrective action planned at page 23

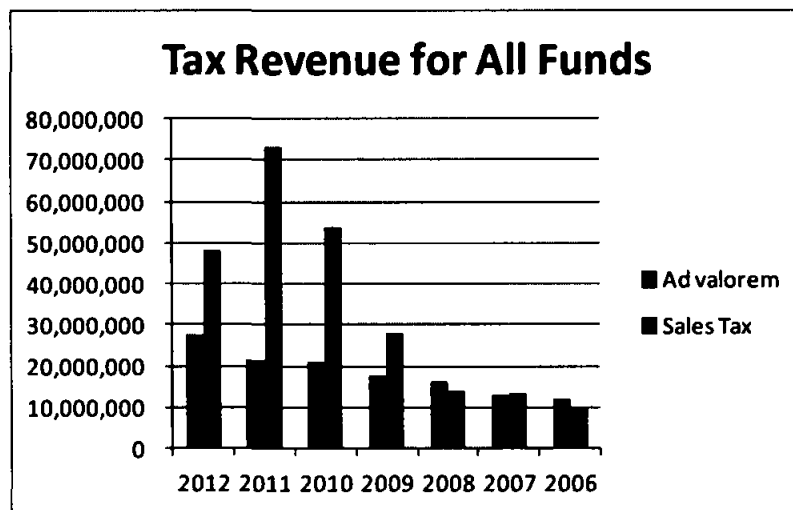
**DeSoto Parish School Board
Status of Prior Management Letter Item
June 30, 2013**

12-M1

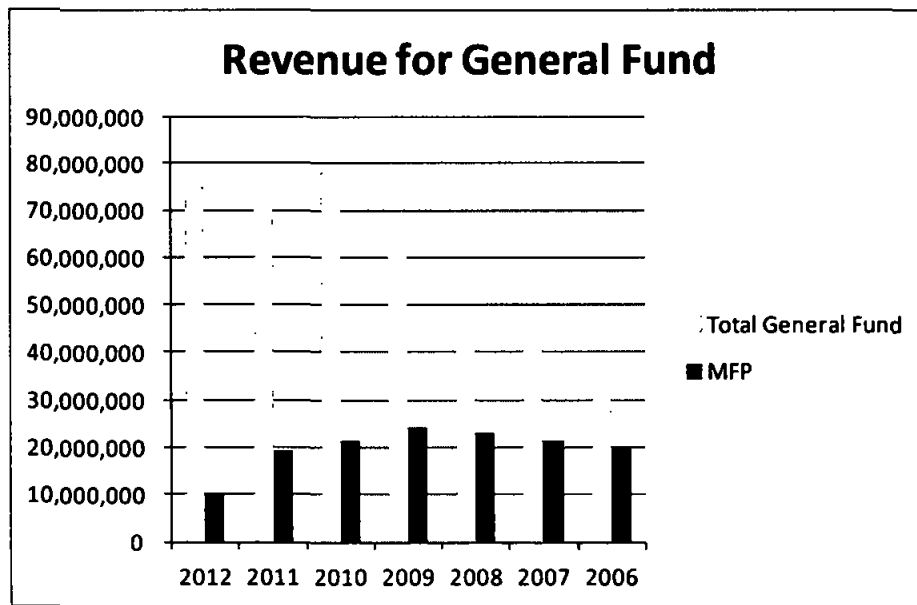
Decreasing Revenues

Comment: The School Board has enjoyed a growth in sales tax revenue since the 2008 fiscal year because of the Haynesville Shale. Sales tax revenue in 2008 was \$14 million. This increased to \$28 million in 2009, \$54 million in 2010, to a high of \$73 million in 2011. For the 2012 fiscal year sales tax revenue has dropped to \$48 million. Sales tax revenue continues to fall in the 2013 fiscal year. The increase in sales tax has had the reverse effect on MFP revenue. The MFP allocation is based in part on local effort. The increase in sales tax revenue has caused a decrease in MFP revenue in the 2012 fiscal year of \$9.2 million. The MFP projection for the 2013 fiscal year has MFP revenue comparable to the 2012 fiscal year. It is unclear at this time when or if MFP will return to the \$20 million level.

The chart below shows the increases and decrease in tax revenue from 2006 through 2012.

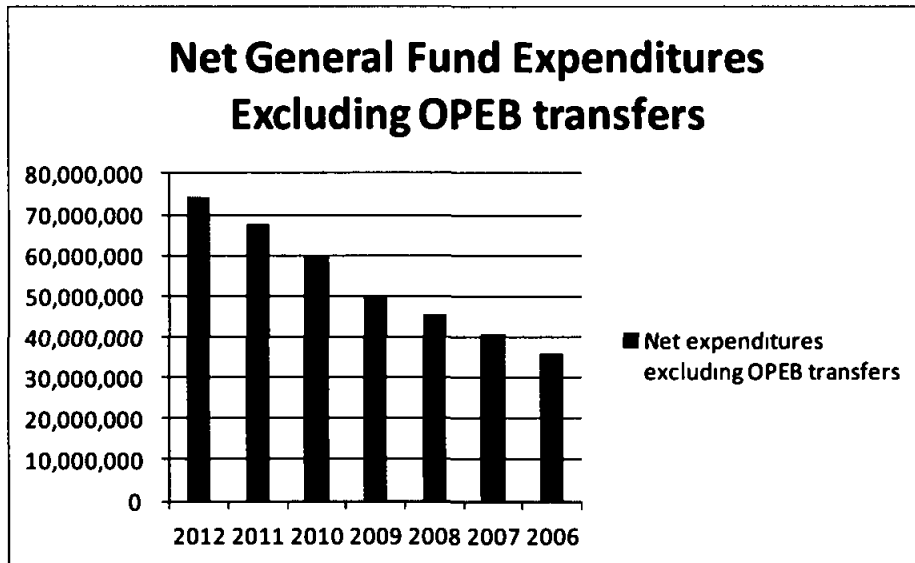


Below is the revenue for the general fund for 2006 through 2012 with a separate column for the MFP revenue.



**DeSoto Parish School Board
Status of Prior Management Letter Item
June 30, 2013**

General fund expenditures (excluding transfers to the OPEB Trust) have increased from \$34 million in 2006 to \$74 million in 2012 as shown below. The number of teachers employed by the School Board has grown from 358 in 2006 to 402 in 2012.



Management Response: See corrective action taken at page 24



DeSoto Parish School Board

201 Crosby Street - Mansfield, Louisiana 71052 - (318) 872-2836 - FAX (318) 872-1324



December 28, 2013

DeSoto Parish School Board Members
201 Crosby Street
Mansfield, LA 71052

RE: Administration's Response to the Management Letter

Dear Board Members.

We have reviewed the Management Letter for FY 2012-13 that ended June 30, 2013, from the Board's independent auditor and offer the following responses:

School Activity Funds

Each year the Business Office audits the financial records of three schools. Completed audits are then shared with the Budget/Finance Committee as well as with the entire Board. However, on April 30, 2013, an email from an unpaid vendor requesting payment caused the Business Office to launch an investigation of Mansfield High School.

After consulting with the Board's attorney and external auditor, a total of 20 violations were uncovered at Mansfield High School. Board action was necessary to pay the outstanding bills owed to 42 vendors and to place money back into the School Activity Funds so the school could return to some kind of normalcy. This amount exceeded \$136,000. The school bookkeeper was removed from her position and, once our reports were finalized, a copy of our findings were sent to the Louisiana Legislative Auditor and the DeSoto District Attorney.

The School Activity Fund Manual was revised after this incident to add additional controls that were developed internally or that were suggested by the Board's external auditor and the attorney. The Business Office also changed the auditing schedule from reviewing records every three years to reviewing them every 2 years. This revised manual was presented to the Budget/Finance Committee in August 2013 and later shared with all school principals.

We believe our actions to uncover the financial problems at Mansfield High School were necessary and needed to keep the financial problems from worsening and we believe that additional safeguards are now in place to keep these types of problems from arising again at any school within the parish.

Purchase of Fuel

The DeSoto Parish School Board uses fuel cards to purchase gasoline or diesel fuel for school bus transportation, facilities and operations department vehicles, food service delivery

vehicles, lawn care, and at the school level for activity transportation. At the request of the Superintendent, the auditors thoroughly reviewed the activity and use of the fuel man credit cards and have recommended that (1) employees should be turning in the tickets received after purchasing fuel, (2) tickets should be signed by the employee, (3) tickets should be attached to the accounts payable check, (4) individual receipts be reconciled with the statements, and (5) exceptions and/or daily limits be investigated and explained before payment is made.

The Business Office will provide in-service training with the heads of all departments who make purchase for fuel and will make the recommended changes offered by the auditors.

Investigative Audit Performed by the Louisiana Legislative Auditor

The Louisiana Legislative Auditor completed an investigation into the salary, travel, and automotive lease of the former Superintendent, Walter C. Lee. Recommendations include (1) requiring prior Board approval before entering into or changes to a vehicle contract, (2) requiring Board approval for all Superintendent's pay raise or increases, and (3) ensuring that all employment contracts clearly state the basis for calculating pay or pay raises and how they are to be calculated along with maintaining proper documentation on file.

The present Superintendent and Board have agreed to make the necessary changes shown above. We would also like to disclose the fact that before the Legislative Auditor issued its findings and recommendations on December 11, 2013, the Board and the present Superintendent in November 2012 provided additional safeguards. They are as listed below:

- Agreed not to lease a vehicle for the Superintendent
- Agreed to provide a vehicle lease allowance in lieu of a leased vehicle
- Agreed to a contract with the present Superintendent that lists an actual dollar figure of salary he is to receive.
- Agreed to have the amount paid to the Superintendent annually reviewed and verified by the Board's President, Vice-President, Chairman of the Budget/Finance Committee, and the Director of Business and Operations
- Agreed to have the amount of pay verified by Board's external auditor annually.
- Agreed to have all salary increases approved by the Board through Board action
- Agreed to have documents and calculations related to the Superintendent's salary kept on file at all times

Additional safeguards can be found by reviewing the Board's response to the Legislative

Auditor's report All of these efforts were made to demonstrate to the public our desire to be transparent with taxpayers and taxpayer's dollars

Status of Prior Year Management Letter Item

For the fiscal year that ended June 30, 2012, two conditions raised the attention of the auditors. The first was a \$2.0 million deficit spending within the General Fund and the second was declining Sales & Use Tax revenues. The auditors cautioned the Board to make reductions to keep deficit spending from re-occurring and to be cautious about using the reserves instead of making reductions.

This recommendation led the Superintendent to make recommendations to reduce spending and at a Board meeting in March 2013 the General Fund budget was reduced \$8.7 million dollars. Some of the changes were as follows:

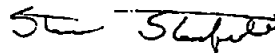
1. Reduce the salaries of all positions listed in the Salary Schedule. Current employees will not see a reduction in pay and will not receive a step increase unless their present salary is aligned with the schedules. The savings to the budget totaled \$465,800.
2. Reduce the rate of pay for day-by-day substitute teachers. The savings to the budget totaled \$76,200.
3. Eliminate additional sabbatical leave for the 2013-14 fiscal year only. The savings to the budget totaled \$110,400.
4. Reduce teachers by raising the pupil – teacher ratio, the number of guidance counselors, and the number of elementary and middle school teachers. The savings to the budget totaled \$3,436,000.
5. Eliminate Central Office and other district wide positions. The savings to the budget totaled \$853,500.
6. Reduce the number of paraprofessionals, custodians, and bus drivers. The savings to the budget conservatively totaled \$495,100.
7. Eliminate the Connections Program. The savings to the budget totaled \$488,900.
8. Consolidate Logansport Elementary and Logansport High School into one PreK-12 school. The savings to the budget totaled \$185,600.
9. Close Pelican All-Saints High School. The savings to the budget totaled \$1,617,900.

10. Refine the Teacher Advancement Program. The savings to the budget totaled \$1,112,500
11. Eliminate the \$200 medical insurance premium refund to retirees. The savings to the budget totaled \$137,200
12. Added \$182,000 for Unemployment Compensation in anticipation that some employees will be unable to find jobs with other districts or outside companies.

This concludes our response to the audit findings and recommendations. We are proud to serve the children and taxpayers of DeSoto Parish and if additional information is needed to conclude the audit for the fiscal year that ended Jun3 30, 2013, please do not hesitate to contact us

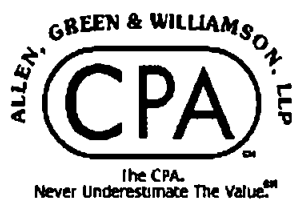


Dr. Preston Cade Brumley, Superintendent
DeSoto Parish Schools



Steven Stanfield, Director of
Business Services

cc. Legislative Auditor
Louisiana State Department of Education
Allen, Green and Williamson, LLP



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P O Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe LA 71201

Telephone (318) 388-4422

Fax (318) 388-4664

Toll-free (888) 741-0205

Tim Green, CPA
Marge Williamson, CPA
Amy Tynes, CPA
Aimee Buchanan, CPA

Matt Carmichael, CPA
Jaime Esswein CPA, CFE
Jaunicia Mercer CPA, CFE
Roomi Shakir CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

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

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

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

1 We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

Total General Fund Instructional Expenditures,
Total General Fund Equipment Expenditures,
Total Local Taxation Revenue,
Total Local Earnings on Investment in Real Property,
Total State Revenue in Lieu of Taxes,
Nonpublic Textbook Revenue, and
Nonpublic Transportation Revenue

Comment: No exceptions were noted as a result of applying the agreed upon procedure.

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 and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st

Comment: No exceptions were noted as a result of applying the agreed upon procedure

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

Comment: No exceptions were noted as a result of applying the agreed upon procedure

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

Comment: No exceptions were noted as a result of applying the agreed upon procedure.

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)

Comment: No exceptions were noted as a result of applying the agreed upon procedure

Experience of Public 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

Comment: No exceptions were noted as a result of applying the agreed upon procedure

Public Staff Data (Schedule 5)

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

Comment: No exceptions were noted as a result of applying the agreed upon procedure

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

Comment: No exceptions were noted as a result of applying the agreed upon procedure

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 ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule

Comment: No exceptions were noted as a result of applying the agreed upon procedure

Louisiana Educational Assessment Program (LEAP) for the 21st century (Schedule 7)

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

Comment: No exceptions were noted as a result of applying the agreed upon procedure

The Graduation Exit Exam for the 21st Century (Schedule 8)

- 11 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 the School Board

Comment: No exceptions were noted as a result of applying the agreed upon procedure

The Iowa Tests (Schedule 9)

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

Comment: No exceptions were noted as a result of applying the agreed upon procedure

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2013

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013**

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$22,080,663	
Other Instructional Staff Activities	\$2,796,521	
Instructional Staff Employee Benefits	\$12,924,807	
Purchased Professional and Technical Services	\$109,114	
Instructional Materials and Supplies	\$2,778,913	
Instructional Equipment	\$10,689	
Total Teacher and Student Interaction Activities		\$40,700,707
Other Instructional Activities		\$547,999
Pupil Support Services	\$4,438,086	
Less Equipment for Pupil Support Services	\$0	
Net Pupil Support Services		\$4,438,086
Instructional Staff Services	\$4,032,967	
Less Equipment for Instructional Staff Services	\$0	
Net Instructional Staff Services		\$4,032,967
School Administration	\$4,443,840	
Less Equipment for School Administration	\$0	
Net School Administration		\$4,443,840
Total General Fund Instructional Expenditures (Total of Column B)		\$54,163,599
Total General Fund Equipment Expenditures (Object 730, Function Series 1000-4000)		\$0
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue		
Advalorem Taxes		
Constitutional Ad Valorem Taxes		\$3,517,621
Renewable Ad Valorem Tax		\$34,091,157
Debt Service Ad Valorem Tax		\$1,740,785
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		\$766,756
Result of Court Ordered Settlement (Ad Valorem)		-\$22,026
Penalties/Interest on Ad Valorem Taxes		\$0
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)		\$0
Sales Taxes		
Sales and Use Taxes - Gross		\$21,576,721
Sales/Use Taxes - Court Settlement		\$0
Penalties/Interest on Sales/Use Taxes		\$377,293
Sales/Use Taxes Collected Due to TIF		\$0
Total Local Taxation Revenue		\$62,048,307
Local Earnings on Investment in Real Property		
Earnings from 16th Section Property		\$286,902
Earnings from Other Real Property		\$248,822
Total Local Earnings on Investment in Real Property		\$535,724
State Revenue in Lieu of Taxes		
Revenue Sharing - Constitutional Tax		\$30,183
Revenue Sharing - Other Taxes		\$291,283
Revenue Sharing - Excess Portion		\$0
Other Revenue in Lieu of Taxes		\$0
Total State Revenue in Lieu of Taxes		\$321,466
Nonpublic Textbook Revenue		\$3,963
Nonpublic Transportation Revenue		\$0

Schedule 2

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Education Levels of Public School Staff
As of October 1, 2012**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	0.25%	0		0	0.00%	0	
Bachelor's Degree	269	70.40%	0		0	3.85%	0	
Master's Degree	92	21.14%	0		11	50.00%	0	
Master's Degree + 30	24	7.21%	0		11	46.15%	0	
Specialist in Education	3	1.00%	0		0		0	
Ph.D. or Ed.D.	1	0.00%	0		0		0	
Total	390	100.00%	0	0	22	100.00%	0	0

Schedule 3

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Number and Type of Public Schools
For the Year Ended June 30, 2013**

Type	Number
Elementary	4
Middle/Jr High	2
Secondary	3
Combination	2
Total	11

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

Schedule 4

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2012**

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	2	2	2	1	4	11
Principals	0	0	0	0	4	2	5	11
Classroom Teachers	10	29	121	64	72	43	51	390
Total	10	29	123	66	78	46	60	412

Schedule 5

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Public School Staff Data: Average Salaries
For the Year Ended June 30, 2013**

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$62,128 96	\$62,053 95
Average Classroom Teachers' Salary Excluding Extra Compensation	\$60,666 13	\$60,575 90
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	387 53	383 54

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

Schedule 6

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Class Size Characteristics
As of October 1, 2012**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	49.08%	319	40.31%	262	9.69%	63	6.00%	6
Elementary Activity Classes	36.71%	29	46.84%	37	12.66%	10	3.80%	3
Middle/Jr. High	66.09%	267	29.21%	118	4.70%	19	0.00%	0
Middle/Jr. High Activity Classes	54.55%	36	25.76%	17	15.15%	10	4.55%	3
High	79.61%	808	14.48%	147	5.42%	55	0.49%	5
High Activity Classes	86.96%	140	5.59%	9	4.97%	8	2.48%	4
Combination	88.00%	264	12.00%	36	0.00%	0	0.00%	0
Combination Activity Classes	84.62%	33	12.82%	5	2.56%	1	0.00%	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 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.

Schedule 7

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	13	3 4%	16	4 0%	17	3 8%	21	5 5%	14	3 5%	14	3 1%
Mastery	87	22 8%	66	16 4%	58	12 9%	85	22 4%	63	15 7%	65	14 4%
Basic	173	45 4%	193	48 0%	188	41 8%	143	37 6%	168	41 8%	170	37 8%
Approaching Basic	76	19 9%	85	21 1%	123	27 3%	60	15 8%	74	18 4%	95	21 1%
Unsatisfactory	32	8 4%	42	10 4%	64	14 2%	71	18 7%	83	20 6%	106	23 6%
Total	381	100 0%	402	100 0%	450	100 0%	380	100 0%	402	100 0%	450	100 0%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	12	3 2%	36	9 0%	6	1 3%	5	1 3%	3	0 7%	7	1 6%
Mastery	85	22 4%	72	18 0%	55	12 3%	66	17 4%	66	16 5%	63	14 1%
Basic	179	47 2%	157	39 2%	174	38 8%	204	53 8%	202	50 4%	219	48 9%
Approaching Basic	66	17 4%	94	23 4%	132	29 5%	62	16 4%	75	18 7%	88	19 6%
Unsatisfactory	37	9 8%	42	10 5%	81	18 1%	42	11 1%	55	13 7%	71	15 8%
Total	379	100 0%	401	100 0%	448	100 0%	379	100 0%	401	100 0%	448	100 0%

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	22	5 7%	26	7 0%	15	3 8%	19	4 9%	27	7 2%	13	3 3%
Mastery	102	26 6%	81	21 7%	72	18 2%	26	6 8%	22	5 9%	16	4 0%
Basic	142	37 0%	138	36 9%	158	39 9%	204	53 1%	191	51 2%	174	43 9%
Approaching Basic	90	23 4%	108	28 9%	137	34 6%	75	19 5%	80	21 4%	111	28 0%
Unsatisfactory	28	7 3%	21	5 6%	14	3 5%	60	15 6%	53	14 2%	82	20 7%
Total	384	100 0%	374	100 0%	396	100 0%	384	100 0%	373	100 0%	396	100 0%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	12	3 1%	18	4 8%	1	0 3%	15	3 9%	11	2 8%	2	0 5%
Mastery	69	18 1%	74	19 7%	51	12 9%	64	16 8%	73	19 5%	42	10 6%
Basic	159	41 6%	135	36 0%	138	34 5%	179	46 9%	164	43 7%	176	44 6%
Approaching Basic	96	25 1%	100	26 7%	126	32 0%	70	18 3%	82	21 9%	125	31 6%
Unsatisfactory	46	12 0%	48	12 8%	80	20 3%	54	14 1%	45	12 0%	50	12 7%
Total	382	100 0%	375	100 0%	394	100 0%	382	100 0%	375	100 0%	395	100 0%

Schedule 8

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Graduation Exit Examination (GEE)
For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 10												
Advanced					1	0.3%					24	7.3%
Mastery					28	8.4%					43	13.0%
Basic					159	47.9%					141	42.7%
Approaching Basic					88	26.5%					54	16.4%
Unsatisfactory					56	16.9%					68	20.6%
Total					332	100.0%					330	100.0%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 11												
Advanced			4	1.3%	7	2.6%			1	0.3%	0	0.0%
Mastery			48	16.1%	34	12.7%			21	7.0%	12	4.5%
Basic			119	39.8%	112	41.8%			148	49.5%	130	48.5%
Approaching Basic			80	26.8%	63	23.5%			84	28.1%	66	24.6%
Unsatisfactory			48	16.1%	52	19.4%			45	15.1%	60	22.4%
Total			299	100.0%	268	100.0%			299	100.0%	268	100.0%

Schedule 9

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**IOWA and ILEAP Tests
For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts 2011		Mathematics 2011		Science 2011		Social Studies 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	14	4 1%	26	7 6%	20	5 9%	1	0 3%
Mastery	68	20 0%	50	14 7%	64	18 8%	50	14 7%
Basic	143	42 1%	149	43 8%	135	39 7%	155	45 6%
Approaching Basic	77	22 6%	73	21 5%	81	23 8%	79	23 2%
Unsatisfactory	51	15 0%	55	16 2%	52	15 3%	67	19 7%
Total	353	103 8%	353	103 8%	352	103 5%	352	103 5%

District Achievement Level Results	English Language Arts 2011		Mathematics 2011		Science 2011		Social Studies 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	1 5%	11	3 3%	25	7 5%	15	4 5%
Mastery	44	13 2%	30	9 0%	66	19 8%	54	16 2%
Basic	130	38 9%	155	46 4%	104	31 1%	149	44 8%
Approaching Basic	82	24 6%	39	11 7%	74	22 2%	50	15 0%
Unsatisfactory	45	13 5%	70	21 0%	37	11 1%	38	11 4%
Total	306	91 6%	305	91 3%	306	91 6%	306	91 6%

District Achievement Level Results	English Language Arts 2011		Mathematics 2011		Science 2011		Social Studies 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	0 5%	20	5 3%	10	2 7%	37	9 8%
Mastery	47	12 5%	36	9 6%	41	10 9%	57	15 2%
Basic	169	44 9%	153	40 8%	158	42 0%	182	48 4%
Approaching Basic	106	28 2%	73	19 5%	126	33 5%	61	16 2%
Unsatisfactory	40	10 6%	82	21 9%	29	7 7%	27	7 2%
Total	364	96 8%	364	97 1%	364	96 8%	364	96 8%

District Achievement Level Results	English Language Arts 2011		Mathematics 2011		Science 2011		Social Studies 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	25	6 8%	24	6 5%	10	2 7%	25	6 8%
Mastery	54	14 7%	38	10 4%	55	15 0%	70	19 1%
Basic	160	43 6%	168	45 8%	159	43 4%	166	45 4%
Approaching Basic	86	23 4%	73	19 9%	99	27 0%	54	14 8%
Unsatisfactory	16	4 4%	37	10 1%	18	4 9%	26	7 1%
Total	341	92 9%	340	92 6%	341	93 2%	341	93 2%

District Achievement Level Results	English Language Arts 2011		Mathematics 2011	
	Number	Percent	Number	Percent
Grade 9				
Advanced	0	#DIV/0!	0	#DIV/0!
Mastery	0	#DIV/0!	0	#DIV/0!
Basic	0	#DIV/0!	0	#DIV/0!
Approaching Basic	0	#DIV/0!	0	#DIV/0!
Unsatisfactory	0	#DIV/0!	0	#DIV/0!
Total	0	#DIV/0!	0	#DIV/0!

* In 2011 Grade 9 did not take the ILEAP Test

District Achievement Level Results	English Language Arts 2012		Mathematics 2012		Science 2012		Social Studies 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 3								
Advanced	15	4 0%	17	4 5%	27	7 2%	4	1 1%
Mastery	88	23 5%	79	21 1%	93	24 9%	85	22 7%
Basic	138	36 9%	145	38 8%	139	37 2%	144	38 5%
Approaching Basic	66	17 6%	53	14 2%	57	15 2%	61	16 3%
Unsatisfactory	33	8 8%	46	12 3%	24	6 4%	46	12 3%
Total	340	90 9%	340	90 9%	340	90 9%	340	90 9%

District Achievement Level Results	English Language Arts 2012		Mathematics 2012		Science 2012		Social Studies 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 5								
Advanced	7	2 2%	27	8 6%	12	3 8%	9	2 9%
Mastery	57	18 2%	57	18 2%	68	21 7%	44	14 1%
Basic	153	48 7%	135	43 0%	134	42 7%	186	59 8%
Approaching Basic	81	25 8%	53	16 9%	89	28 3%	63	20 3%
Unsatisfactory	36	11 5%	62	19 7%	31	9 9%	32	10 3%
Total	334	106 4%	334	106 4%	334	106 4%	334	107 4%

District Achievement Level Results	English Language Arts 2012		Mathematics 2012		Science 2012		Social Studies 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 6								
Advanced	9	2 4%	14	3 8%	10	2 7%	33	8 8%
Mastery	62	16 6%	40	10 7%	66	17 7%	75	20 1%
Basic	187	50 1%	209	56 0%	169	45 3%	198	53 1%
Approaching Basic	83	22 3%	55	14 7%	103	27 6%	47	12 6%
Unsatisfactory	35	9 4%	57	15 3%	28	7 5%	23	6 2%
Total	376	100 8%	375	100 5%	376	100 8%	376	100 8%

District Achievement Level Results	English Language Arts 2012		Mathematics 2012		Science 2012		Social Studies 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 7								
Advanced	18	4 6%	32	8 1%	19	4 8%	28	7 1%
Mastery	57	14 4%	51	12 9%	85	21 5%	70	17 7%
Basic	162	41 0%	152	38 5%	122	30 9%	159	40 3%
Approaching Basic	93	23 5%	77	19 5%	102	25 8%	68	17 2%
Unsatisfactory	37	9 4%	55	13 9%	38	9 6%	41	10 4%
Total	367	92 9%	367	92 9%	366	92 7%	366	92 7%

District Achievement Level Results	English Language Arts 2012		Mathematics 2012	
	Number	Percent	Number	Percent
Students				
Grade 9				
Advanced	0	#DIV/0!	0	#DIV/0!
Mastery	0	#DIV/0!	0	#DIV/0!
Basic	0	#DIV/0!	0	#DIV/0!
Approaching Basic	0	#DIV/0!	0	#DIV/0!
Unsatisfactory	0	#DIV/0!	0	#DIV/0!
Total	0	#DIV/0!	0	#DIV/0!

* In 2012 Grade 9 did not take the iLEAP Test

District Achievement Level Results	English Language Arts 2013		Mathematics 2013		Science 2013		Social Studies 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 3								
Advanced	26	7 0%	19	5 1%	18	4 8%	8	2 1%
Mastery	67	17 9%	66	17 6%	79	21 1%	59	15 8%
Basic	165	44 1%	152	40 6%	160	42 8%	183	48 9%
Approaching Basic	76	20 3%	83	22 2%	82	21 9%	81	21 7%
Unsatisfactory	40	10 7%	54	14 4%	35	9 4%	43	11 5%
Total	374	100 0%	374	100 0%	374	100 0%	374	100 0%

District Achievement Level Results	English Language Arts 2013		Mathematics 2013		Science 2013		Social Studies 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 5								

Advanced	21	6 7%	13	4 1%	15	4 8%	16	5 1%
Mastery	55	17 5%	52	16 6%	66	21 0%	43	13 8%
Basic	134	42 7%	135	43 0%	136	43 3%	161	51 8%
Approaching Basic	66	21 0%	81	25 8%	80	25 5%	58	18 6%
Unsatisfactory	38	12 1%	33	10 5%	17	5 4%	33	10 6%
Total	314	100 0%	314	100 0%	314	100 0%	311	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	10	2 7%	45	12 1%	16	4 3%	44	11 8%
Mastery	73	19 6%	59	15 8%	97	26 0%	76	20 4%
Basic	184	49 3%	180	48 3%	147	39 4%	173	46 4%
Approaching Basic	70	18 8%	57	15 3%	94	25 2%	58	15 5%
Unsatisfactory	36	9 7%	32	8 6%	19	5 1%	22	5 8%
Total	373	100 0%	373	100 0%	373	100 0%	373	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	14	3 5%	7	1 8%	13	3 3%	13	3 3%
Mastery	58	14 7%	64	16 2%	77	19 5%	88	22 3%
Basic	180	45 6%	226	57 2%	168	42 5%	179	45 3%
Approaching Basic	101	25 6%	56	14 2%	99	25 1%	70	17 7%
Unsatisfactory	42	10 6%	42	10 6%	38	9 6%	45	11 4%
Total	395	100 0%	395	100 0%	395	100 0%	395	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2013		2013	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	#DIV/0!	0	#DIV/0!
Mastery	0	#DIV/0!	0	#DIV/0!
Basic	0	#DIV/0!	0	#DIV/0!
Approaching Basic	0	#DIV/0!	0	#DIV/0!
Unsatisfactory	0	#DIV/0!	0	#DIV/0!
Total	0	#DIV/0!	0	#DIV/0!

* In 2013 Grade 9 did not take the iLEAP Test