



caddo
parish public schools

CADDO PARISH SCHOOL BOARD
SHREVEPORT, LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Denee' Locke
President

Dr. T. Lamar Goree
Superintendent

James G. Lee
Chief Financial Officer

Prepared by the Department of Finance

**Caddo Parish School Board
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CPSB
2017

Introductory Section

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CADDO PARISH SCHOOL BOARD

POST OFFICE BOX 32000 • 1961 MIDWAY STREET • SHREVEPORT, LOUISIANA 71130-2000

AREA CODE 318 • TELEPHONE 603-6300 • FAX 631-5241

Theodis Lamar Goree, Ph.D.
Superintendent

Transmittal Letter

December 20, 2017

Denee' Locke, President
Caddo Parish School Board Members
and Citizens of Caddo 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 of the Caddo Parish School Board for the year ended June 30, 2017.

This report consists of management's representations concerning the finances of the Caddo Parish School Board. Consequently, management 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, management of the Caddo Parish School Board (School Board) has established a comprehensive internal control framework that is 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 Caddo Parish School Board's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Caddo 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.

Carr, Riggs & Ingram, LLC, a firm of licensed certified public accountants, has audited the Caddo Parish School Board's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Caddo Parish School Board for the fiscal year ended June 30, 2017, 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 unmodified opinion that the Caddo Parish School Board's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America (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 Caddo 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 Caddo Parish School Board's separately issued Single Audit Report.

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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Caddo Parish School Board's MD&A can be found immediately after the report of the independent auditor.

PROFILE OF THE CADDO PARISH SCHOOL BOARD

Purpose and operations. The Caddo Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Caddo 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 12 members who are elected from 12 districts for concurrent terms of 4 years.

The School Board operates 64 schools within the parish with a total enrollment of approximately 40,000 pupils. The School Board provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and enriched academic education, special education, occupational education, and many individualized programs such as specialized instruction for disadvantaged students and those with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in the fine arts and athletics. 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.

Reporting entity. The report includes all entities or organizations that are required to be included in the School Board's reporting entity. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Caddo Parish School Board (the primary government) and three component units, the Shreveport Charter Foundation, Inc. ("Magnolia" or "Magnolia School of Excellence"), Pathways in Education – Louisiana, Inc. ("Pathways"), and AMIkids Caddo, Inc. ("AMIkids"). Magnolia, Pathways, and AMIkids are presented as a discretely presented component units. Each of these charter schools is included in the reporting entity because it is fiscally dependent on the School Board for the majority of its revenue, and because exclusion would render the School System's financial statements incomplete or misleading.

The Superintendent submits an annual operating budget to the School Board at its regular meeting in May or June of each year. The operating budget serves as the foundation for the School Board's financial planning and control. The proposed budget is made available for public inspection at least 15 days prior to the date of a public hearing and at least one public hearing is held, as required by Louisiana law, prior to its adoption by the School Board. Budget-to-actual comparisons are provided in this report.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the School Board operates.

Economic Outlook. Northwest Louisiana is a region of nearly 800,000 residents and is the hub of a tristate region known as the Ark-La-Tex. The economy in this region continues to remain flat. Local spending was down, which greatly contributed to our reduction in sales tax revenue.

The district continues to see small declines in enrollment, which has a negative effect on our state funding. However, we continue to make the necessary changes to remain as efficient as possible. For the start of the 2017-18 school year, we consolidated two high schools and closed a middle school facility. These actions will have an impact on our budget in both staffing and operational costs.

Last year property values declined for the first time in over a decade. However, new construction continues across the parish, including At Home, Academy Sports, continued expansion at Kroger Marketplace, and new multi-family and single-family housing. As Interstate 49 gets closer to completion into Interstate 220, we anticipate continued development in the northern half of the parish.

Financial Policies. Financial stresses at the state level continue to put more of a burden on all of the local school districts. Through sound fiscal practices over the years, our school district had been able to weather this storm. State educational funding remained flat again this year. We again had to finance state mandated programs with no additional funding. This continues to put a drain on our fund balance. However, even with these issues, we were able to adopt a balanced budget.

Long-term financial planning. The mission of the School Board is to improve the academic achievement of students and overall district effectiveness. We have high expectations for everyone – students, teachers, administrators, parents, community volunteers, and support groups. While acknowledging that Caddo has many successful schools, the state's accountability plan is driving fundamental changes in instruction by demanding that schools show annual academic growth. These measures will require that elected officials and administrators provide effective leadership for the wisest use of all available resources. The School Board has adopted goals and objectives to improve its fund balance, increase grant revenues, and reduce costs of support functions while addressing critical instructional needs.

Facilities. The school system operates buildings at 65 school and auxiliary sites. Buildings on these sites range in age from 25 years to 103 years old.

Pension and other postemployment benefits. The School Board provides a defined benefit pension plan for its employees through three cost-sharing multiple-employer statewide plans.

The School Board also provides post-retirement healthcare and life insurance benefits for its retired employees. As of the end of the current fiscal year, there were approximately 4,500 retired employees receiving these benefits.

Additional information on the School Board's pension arrangements and postemployment benefits can be found in notes 6 and 17 in the notes to the basic financial statements.

AWARDS

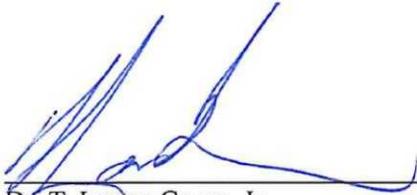
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the 29th consecutive year that the School Board has 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 Board 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, 2016. This was the 29th consecutive year that the 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 Finance Department. We want to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.



Dr. T. Lamar Goree, Jr.
Superintendent



James G. Lee, CLSBA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Caddo Parish School Board
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

Caddo Parish School Board

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

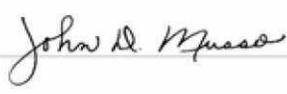
Caddo Parish School Board

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

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




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

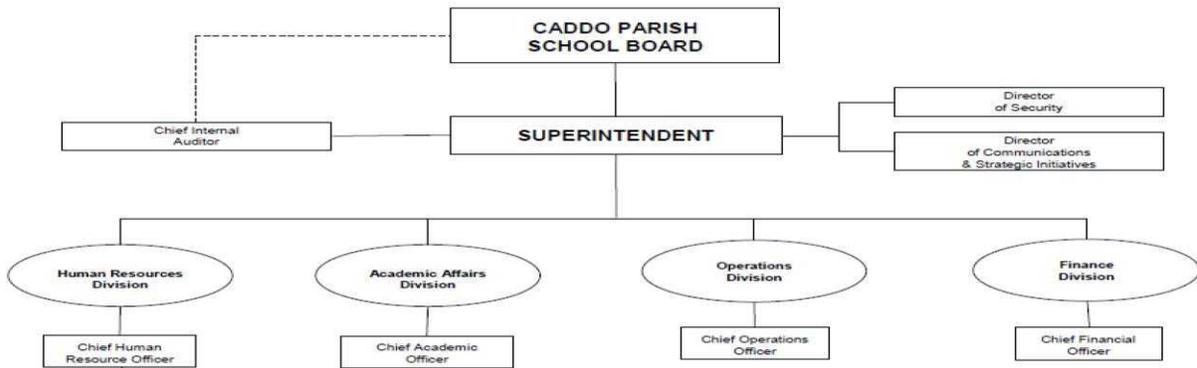

John D. Musso, CAE
Executive Director

Caddo Parish School Board

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Caddo Parish School Board

Organization Chart June 30, 2017



Caddo Parish School Board

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CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

ELECTED OFFICIALS

	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Began as a Board Member</u>
Denee' Locke, President	January 6, 2015	December 31, 2018	January 2015
Dottie Bell, 1st Vice President	January 6, 2015	December 31, 2018	January 2007
Steve Riall, 2 nd Vice President	January 6, 2015	December 31, 2018	December 2008
Raymond Green	January 6, 2015	December 31, 2018	January 2015
John Albritton	October 6, 2015	December 31, 2018	October 2015
Margaret Brown	January 6, 2015	December 31, 2018	January 2015
Bonita Douzart	January 6, 2015	December 31, 2018	January 2015
Jasmine Green	January 6, 2015	December 31, 2018	January 2011
Susannah Poljak	January 6, 2015	December 31, 2018	January 2015
Barry F. Rachal	January 6, 2015	December 31, 2018	March 2004
Larry Ramsey	January 6, 2015	December 31, 2018	January 2003
Mary Trammel	January 6, 2015	December 31, 2018	January 2011

SELECTED ADMINISTRATIVE OFFICIALS

Dr. T. Lamar Goree	Superintendent
James G. Lee	Chief Financial Officer
Keith Burton	Chief Academic Officer
Diane W. Atkins	Chief Human Resources Officer
James W. Woolfolk, II	Chief Operations Officer
Jeff Howard	Chief Internal Auditor

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Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105
Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278
(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

Independent Auditors' Report

Board Members
Caddo Parish School Board
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Caddo Parish School Board (the School Board) as of and for the year ended June 30, 2017, and 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 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Caddo Parish School Board, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress for Other Postemployment Benefits Plan, Schedule of Employer Contributions for Other Postemployment 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 School Board's financial statements as a whole. 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 relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2017

REQUIRED SUPPLEMENTAL INFORMATION:

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

Caddo Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

The discussion and analysis of Caddo Parish School Board's (School Board) financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. Readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2017, are as follows:

▪ **Statement of Net Position:**

The liabilities and deferred inflows of resources of the Caddo Parish School Board exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$982.8 million (net deficit). Of this amount, approximately \$1.1 billion is the deficit in unrestricted net position.

▪ **Statement of Activities:**

The School Board's total net deficit decreased by \$10.1 million for the year ended June 30, 2017.

▪ **Governmental Funds Balance Sheet:**

As of the close of the fiscal year 2016-2017, the Caddo Parish School Board's governmental funds reported combined ending fund balance of \$81.8 million, a total decrease of \$7.5 million in comparison with the prior fiscal year. The majority of the fund balance is comprised of approximately (1) \$13.4 million which is unassigned and available for spending within the General Fund, (2) \$23.3 million which is nonspendable or committed in the general fund, (3) \$8.8 million which is restricted within the Capital Projects Fund, (4) \$21.5 million nonspendable for purposes of instructional enhancement within the Caddo Educational Excellence (CEE) Permanent Fund, (5) \$10.0 million which is restricted for debt service, and (6) \$4.2 million restricted for the Child Nutrition Program.

▪ **Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances:**

Total revenues for the year ended June 30, 2017, for the governmental funds of the Caddo Parish School Board amounted to \$457.0 million. Approximately 86% of this amount was received from three major revenue sources: (1) \$189.9 million from Louisiana's Minimum Foundation Program, (2) \$129.3 million from local ad valorem taxes, and (3) \$72.9 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 \$36.5 million or 9.7% of total General Fund expenditures. \$1.5 million was non-spendable, \$21.6 million (committed) is set aside for future claims and contingencies and equipment replacement, while \$13.4 million (unassigned) is available for spending at the School Board's discretion. This unassigned balance represents 3.6% of General Fund expenditures.

▪ **Capital Assets:**

Total capital assets (net of depreciation) were \$208.6 million or 53.4% of the total assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.

Caddo Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

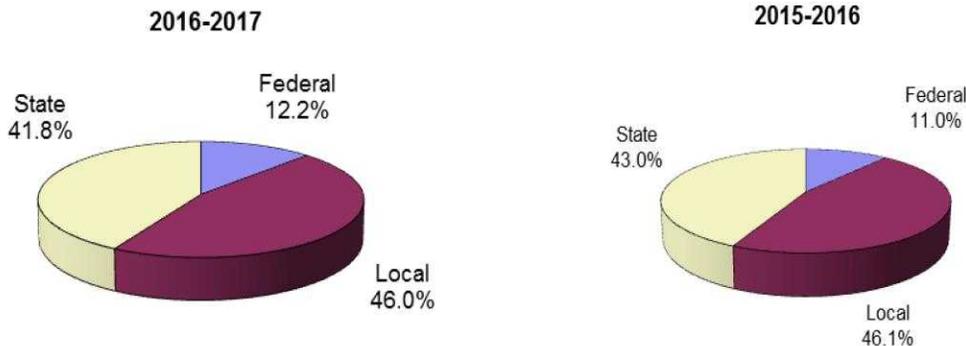
▪ **Long-Term Liabilities:**

The Caddo Parish School Board's total long-term debt decreased \$8.8 million during the current fiscal year. Debt on general obligation bonds decreased by \$7 million. Debt on outstanding Qualified Zone Academy Bond Program decreased by \$.2 million. Debt on Qualified School Construction Bonds decreased \$1.7 million.

Other long-term liabilities increased \$44.7 million during the current fiscal year. This is due mostly to the increases in other post-employment benefits liability of \$19.6 million and net pension liability of \$25 million.

This year, primary resources available to the school system are local revenues, primarily tax receipts, which total \$210.8 million or 46.0% of the total; state revenues, primarily Minimum Foundation Program funding (equalization) and special grants, totaling \$191.9 million or 41.8% of the total; and federal funds, totaling \$55.8 million or 12.2% of the total. Last year, local revenues were \$215.9 million or 46.1%, while state revenues were \$201.28 million or 43.0%, and federal revenues were \$51.3 million or 11%.

Total Revenues By Source



Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Caddo Parish School Board's basic financial statements. The Caddo Parish 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 Caddo Parish School Board's finances, in a manner similar to a private sector business.
- **The Statement of Net Position** The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as the Caddo Parish School Board's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Caddo Parish School Board is improving or deteriorating.

Caddo Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

- The **Statement of Activities** presents information showing how the Caddo Parish School Board's net position 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).
- The government-wide financial statements include not only the Caddo Parish School Board (known as the "primary government") but three legally separate charter schools, the Shreveport Charter Foundation, Inc., Pathways in Education – Louisiana, Inc., and AMIkids Caddo Inc., for which the School Board is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. Complete financial statements of the component units can be obtained from Shreveport Charter Foundation, Inc., 2290 Clyde Fant Parkway, Shreveport, Louisiana 71104 and Pathways in Education – Louisiana, Inc., 8999 Mansfield Road, Shreveport, Louisiana 71118, and AMIkids Caddo, 3860 Hutchinson Street, Shreveport, Louisiana 71109.
- The governmental-wide financial statements can be found following the MD&A.
- **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 Caddo 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 Caddo Parish School Board can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.
 - **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 Caddo Parish School Board's 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 Caddo Parish 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.
 - The Caddo Parish School Board maintains twenty-two individual governmental funds. 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 General Fund and Permanent Fund - CEEF which are considered to be major funds. The permanent fund, CEEF, is used to account for the Caddo Educational Excellence Fund. These monies are held by the School Board in trust and the principal cannot be expended. Data for the other twenty 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 in this report. The debt service fund is used to account for the accumulation of resources for, and the payment of, long term debt principal, interest, and related costs.

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- The Caddo Parish School Board adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.
- The governmental fund financial statements can be found following the government-wide financial statements.
- **Proprietary fund.** Internal service funds are an accounting device used to accumulate and allocate costs internally among the School Boards various functions. The School Board uses an internal service fund to account for the accumulation of resources for and the payment of employee health insurance. 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 Caddo Parish School Board. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Caddo Parish School Board's own programs. The Caddo Parish School Board maintains two agency funds named the School Activity Funds and the Central Office Concession, and one Other Employee Benefits Trust Fund.
- **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 supplemental information concerning the Caddo Parish School Board's compliance with budgets for its major funds. The combining statements for nonmajor governmental funds are presented immediately following the required supplemental information.

Financial Analysis of Government-wide Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Caddo Parish School Board, liabilities exceed assets by \$998 million at the close of the most recent fiscal year (FY).

The Caddo Parish School Board's net position (deficit) reflects \$98.4 million as investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Caddo Parish 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 Caddo 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.

The School Board as a Whole. The School Board's net position (deficit) was \$(982.8) million at June 30, 2017. Of this amount; \$(1.1) billion was unrestricted, \$45.0 million was restricted, and \$107.8 million was invested in capital assets.

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The following analysis focuses on the net position (Table 1) and change in net position (Table 2) of the School Board's governmental activities:

TABLE 1
Net Position (in millions)
For Fiscal Years Ended June 30

	Governmental Activities		Percentage Change
	2017	2016	
Current and other assets	\$ 181.9	\$ 173.4	4.9
Capital assets net of accumulated depreciation	208.6	207.8	0.4
Total assets	<u>390.5</u>	<u>381.2</u>	<u>2.4</u>
 Total Deferred outflows of resources	 <u>100.8</u>	 <u>62.7</u>	 <u>60.8</u>
 Current and other liabilities	 70.5	 69.6	 1.3
Long-term liabilities	1,345.8	1,309.9	2.7
Total liabilities	<u>1,416.3</u>	<u>1,379.5</u>	<u>2.7</u>
 Total Deferred inflows of resources	 <u>57.8</u>	 <u>57.3</u>	 <u>0.9</u>
 Net position			
Net investment in capital assets	107.8	98.4	9.6
Restricted	45.0	45.9	(2.0)
Unrestricted	<u>(1,135.6)</u>	<u>(1,137.2)</u>	<u>0.1</u>
Total net position (deficit)	<u>\$ (982.8)</u>	<u>\$ (992.9)</u>	<u>1.0</u>

Restricted net position of \$45.0 million is reported separately to show legal constraints for the payment of outstanding long-term debt obligations and to limit the Caddo Parish School Board from using these funds for day-to-day operations. The debt service fund accounts for \$10.0 million and capital project funds account for \$8.8 million. The remaining balance is restricted for instructional enhancement and is generated from the school board's share of gaming receipts that are collected from area riverboat casinos. State law requires the gaming receipts to be held in perpetuity; however, the investment earnings may be spent for purposes of instructional enhancement. As of June 30, 2017, the permanently restricted portion was \$21.5 million. The remaining balance of (\$1,135.6) million is a deficit in the unrestricted net position (deficit).

Overall net deficit decreased \$10.1 million from the prior year. Revenue decreased approximately \$11.5 million in fiscal year 2016-2017. This mostly resulted from a decrease in State Minimum Foundation Program funding of \$7.8 million, and a decrease in other general revenues of \$18.9 million. The district's expenditures decreased \$4.7 million in fiscal year 2016-2017. The district increased its OPEB liability in 2016-2017 by \$19.6 million whereas in 2015-2016 the OPEB liability increased by \$26.4 million.

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Governmental Activities. Governmental Activities increased the School Board's net position by \$7.8 million. In addition, a prior period adjustment of \$2.3 million increased the net position. Therefore, the total net position increased \$10.1 million from prior year. Key elements of this increase are as follows:

TABLE 2
Changes in Net Position (in millions)

	<u>Fiscal Years Ended June 30,</u>		Percentage Change
	<u>2017</u>	<u>2016</u>	
Revenues:			
Program revenues			
Charges for services	\$ 0.3	\$ 1.3	(76.9)
Operating grants and contributions	55.8	53.0	5.3
General revenues			
Ad valorem taxes	129.3	131.9	(2.0)
Sales taxes	72.9	73.8	(1.2)
State Minimum Foundation Program	189.9	197.7	(3.9)
Other general revenues	10.3	12.7	(18.9)
Total revenues	<u>458.5</u>	<u>470.4</u>	<u>(2.5)</u>
Function/program expenses:			
Instruction			
Regular programs	146.1	150.0	(2.6)
Special programs	55.7	55.8	(0.2)
Other instructional programs	35.8	37.4	(4.3)
Support services			
Student services	29.2	29.4	(0.7)
Instructional staff support	26.3	25.4	3.5
General administration	7.4	7.8	(5.1)
School administration	28.7	28.9	(0.7)
Business services	4.0	4.0	-
Plant services	65.5	63.4	3.3
Student transportation services	23.7	23.2	2.2
Central services	7.2	7.1	1.4
Food services	17.7	19.1	(7.3)
Community service programs	0.7	0.7	-
Interest on long-term debt	2.7	2.9	(6.9)
Total expenses	<u>450.7</u>	<u>455.1</u>	<u>(1.0)</u>
Increase (decrease) in net position	<u>7.8</u>	<u>15.3</u>	<u>49.0</u>
Net position (deficit) – beginning, as previously stated	<u>(992.9)</u>	<u>(1,008.2)</u>	<u>(1.5)</u>
Prior period adjustment	2.3	-	-
Net position (deficit) – beginning, as restated	<u>(990.6)</u>	<u>(1,008.2)</u>	<u>1.7</u>
Net position (deficit) – ending	<u>\$ (982.8)</u>	<u>\$ (992.9)</u>	<u>\$ 1.0</u>

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Governmental Activities Total and Net Costs

As reported in the Statement of Activities, the total cost of all governmental activities this year was \$450.7 million.

The table below presents the cost of each of the School Board's largest functions – as well as each program's *net* cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows the analysis of the cost of each function in comparison to the benefits provided by that function.

	Total Costs of Service		Percent Change	Net Costs of Service		Percent Change
	2017	2016		2017	2016	
Regular programs	\$ 146.1	\$ 150.0	(2.6)	\$ 127.9	\$ 132.2	(3.3)
Special programs	55.7	55.8	(0.2)	47.8	48.1	(0.6)
Other instructional programs	35.8	37.4	(4.3)	35.4	37.0	(4.3)
Student services	29.2	29.4	(0.7)	27.4	27.8	(1.4)
Instructional staff support	26.3	25.4	3.5	25.1	24.2	3.7
General administration	7.4	7.8	(5.1)	7.3	7.8	(6.4)
School administration	28.7	28.9	(0.7)	26.2	26.4	(0.8)
Business services	4.0	4.0	-	3.6	3.6	-
Plant services	65.5	63.4	3.3	62.3	60.3	3.3
Central services	23.7	23.2	2.2	20.9	20.5	2.0
Student transportation services	7.2	7.1	1.4	6.7	6.6	1.5
Food services	17.7	19.1	(7.3)	0.5	2.9	(82.8)
All other	3.4	3.6	(5.6)	3.4	3.4	0.0
Totals	\$ 450.7	\$ 455.1	(1.0)	\$ 394.5	\$ 400.8	(1.6)

Program Expenses and Revenues Governmental Activities

Expenses are classified by functions/programs. The related revenues are comprised of specific charges for the services and operating grants and contributions received to offset the expenses for the specific program.

Instructional services (regular programs, special programs, and other instructional programs) for fiscal 2017 totaling \$237.6 million or 52.7% of total expenses, decreased \$5.6 million or (2.3%) from fiscal year 2016 primarily because of cut backs in salaries and benefits, materials and supplies, and travel.

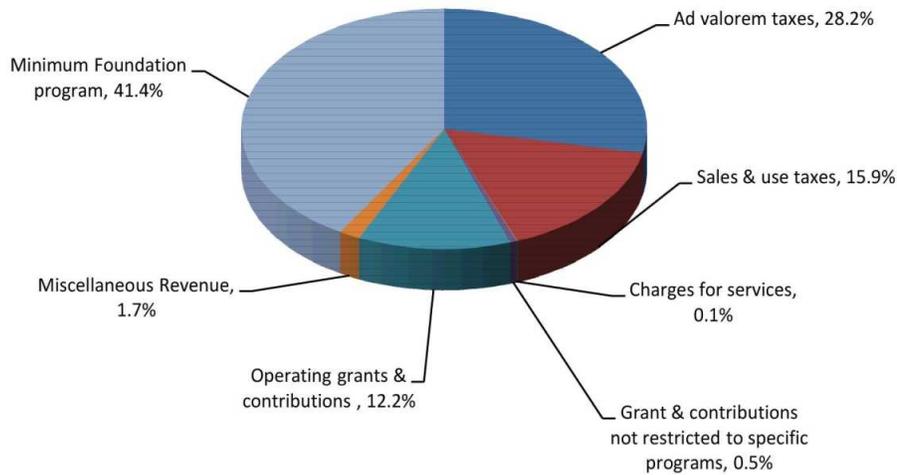
Services that support the instructional services including student services, instructional staff support, general administration, school administration, business services, plant services, student transportation services and central services are support services. Support services for fiscal 2017 totaling \$192 million or 42.6% of total expenses, increased \$2.8 million or (1.5%) from fiscal 2016, primarily because of an increase in costs charged to plant services, related to the maintenance of our facilities.

The remaining expenses (food services, community service programs, and interest on long term debt) of \$21.1 million or 4.7% of total expenses, decreased \$1.6 million or (7.0%) from fiscal 2015 primarily because of reduced spending in the food service area.

The program revenues for fiscal 2017 directly related to these expenses totaled \$53.0 million, which along with \$1.3 million in charges for services, resulted in net program expenses of \$394.5 million. These net program expenses are funded by general revenues of the Caddo Parish School Board.

Caddo Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

Revenues by Source – Governmental Activities



- Minimum Foundation Program:** The single largest source of revenue to the Caddo Parish School Board for grants and contributions not restricted to a specific program is the State Equalization or commonly called the Minimum Foundation Program (MFP). The MFP distribution 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 MFP funds for the past three years.

Fiscal Year	General	Child Nutrition Program	Total MFP	Increase/(Decrease)	
2014-2015	199.9	2.3	202.2	1.7	0.8%
2015-2016	195.5	2.3	197.7	(4.5)	(2.2)%
2016-2017	187.6	2.3	189.9	(7.8)	(3.9)%

In FY 2016-2017 the School Board received \$189.9 million or 41.4% of its total revenue from the MFP. These revenues are deposited in the General Fund and the Child Nutrition Program Fund only. The \$7.8 million decrease is due a decrease in state funding and a slightly declining enrollment.

- Ad Valorem Tax Revenues:** Ad valorem tax revenues, also called property tax revenues, are the second 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 Caddo Parish Tax Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The following chart lists the ad valorem tax deposits for the past three years.

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<u>Fiscal Year</u>	<u>General</u>	<u>Nonmajor Parish-Wide Capital Projects</u>	<u>Nonmajor Debt Service</u>	<u>Total Ad Valorem Taxes</u>	<u>Increase/(Decrease)</u>	
2014-2015	99.1	20.2	10.1	129.4	1.1	.1%
2015-2016	102.4	20.8	8.7	131.9	2.5	1.9%
2016-2017	100.2	20.4	8.7	129.3	(2.6)	(2.0)%

In FY 2016-2017, the School Board recognized \$129.3 million of ad valorem tax revenues for the General Fund, the Parish-Wide Capital Projects Fund, and the Debt Service Fund. This represents 28.2% of the total revenues received. Ad valorem tax revenues in FY 2016-2017 decreased by 2.0% as a result of decreases in property values.

- **Sales and Use Tax Revenues:** Sales and use tax revenues are the third largest source of revenues for the Caddo Parish School Board. A 1.5% sales tax rate is levied upon the sale and consumption of goods and services within the parish. The chart below lists the sales and use tax revenues for the past three years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Increase/(Decrease)</u>	
2014-2015	79.3	4.2	5.6%
2015-2016	73.8	(5.5)	(6.9)%
2016-2017	72.9	(0.9)	(1.2)%

All sales and use tax revenues are deposited into the General Fund. This represents 15.9% of the total revenues received. Sales tax revenue decreased in FY 2016-2017 as a result of a decrease in commercial construction with the completion of the Benteler Steel project and a decrease in oil and gas production.

- **Operating Grants and Contributions:** Operating grants and contributions are the fourth largest source of revenues for the School Board. This revenue type is primarily comprised of federal grants with some state grants included. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The chart below, stated in millions of dollars, shows the operating grants, and contributions by fund source.

<u>Fiscal Year</u>	<u>General</u>	<u>Title I</u>	<u>Parishwide Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>	<u>Increase/(Decrease)</u>	
2014-2015	1.5	20.0	-	32.8	54.3	2.6	5.0%
2015-2016	1.4	18.1	-	33.5	53.0	(1.3)	(2.4)%
2016-2017	1.2	19.5	-	35.1	55.8	2.8	5.3%

In FY 2016-2017, the School Board received \$55.8 million in operating grants and contributions. The 5.3% decrease in FY 2016-2017 is primarily due to an increase in Title I funding.

Caddo Parish School Board
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June 30, 2017

Financial Analysis of the Government's Funds

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

The focus of the Caddo 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 Caddo 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.

The General Fund is the main operating fund of the Caddo Parish School Board. At the end of the current fiscal year, spendable fund balance of the General Fund was \$35.1 million. The Caddo Parish School Board has committed \$21.6 million of the spendable fund balance for future claims and contingencies and for equipment replacement. The remaining \$13.4 million (unassigned) is available for spending at the Caddo Parish School Board's discretion. The fund balance of the general fund decreased \$6.6 million for the fiscal year. The main reason for spending in excess of revenue was due primarily to the decrease in State Equalization funding or commonly called the Minimum Foundation Program (MFP).

The CEEF Permanent Fund has a total fund balance of \$21.5 million. A net increase of \$.6 million occurred during the current fiscal year, largely due to continued receipts from the two riverboat casinos located in the parish.

General Fund Budgetary Highlights. The Caddo Parish School Board recognizes the importance of sound fiscal planning, as well as the technical relationship of the financial structure to the teaching of students. Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Caddo Parish School Board complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original budget for the Caddo Parish School Board was adopted in June 2016, and the final budget amendment was adopted in March 2017. Differences between the original budget and final amended budget of the General Fund are as follows:

Revenues

- Ad valorem taxes were estimated at \$102.6 million when the budget was first adopted by the board. The original budget was decreased by \$3.6 million as the result of decreased property values.
- Sales taxes were estimated at \$76 million when the budget was first adopted by the board. The original budget was amended to decrease the budget by \$2 million as the result of decreased sales taxes collected due to the decline in new construction and the decreased oil and gas production.

Expenditures

- The original budget was reduced by \$2 million due to positive variances in salary and benefits. There were also reductions in material and supplies and travel expenses.

Caddo Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2017

Actual Results

- Actual revenues were less than the final budget by \$3.9 million. The variance percentage was 1.0%.
- Total expenditures were less than final budget with a favorable variance of \$0.3 million, which is attributed to cut backs in spending because of the decline in state funding and sales and use tax revenue.

Capital Asset and Debt Administration

Capital Asset. For the year ended June 30, 2017, the School Board had \$208.6 million (net of accumulated depreciation) invested in a broad range of capital assets, including land, construction in progress, buildings, furniture and equipment, and transportation equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$0.8 million or 0.4% from last year.

Capital Assets (in millions)
(Net of depreciation)

	<u>Governmental Activities</u>	
	As of June 30,	
	<u>2017</u>	<u>2016</u>
Land	\$ 4.9	\$ 4.9
Construction in progress – buildings	8.9	6.5
Buildings and improvements	179.2	181.9
Furniture and equipment	9.6	9.5
Transportation equipment	5.5	4.5
Intangibles - software	0.5	0.5
	<u>\$ 208.6</u>	<u>\$ 207.8</u>

Major capital projects during the 2016-17 school year included the following:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Linear Refurbish • Linear Foundation Repairs • Claiborne Elevator • Warehouse Fire Sprinkler Replacement • Byrd – HVAC Phase 2 • Various – Other HVAC Projects • Various – Fire Alarm Upgrades • Various – Drainage Projects • Various – Paving Projects | <ul style="list-style-type: none"> • Various – Asbestos Abatement • Various – IT Wiring • Various – Fencing • Various – Intercom Systems • Various – T-Buildings • Various – Roof Repairs • Various – Canopy Repairs |
|--|---|

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June 30, 2017

Long-Term Debt. At the end of the current fiscal year, the Caddo Parish School Board had total debt outstanding of \$99.4 million. Of the amount, \$77.7 million comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2017 and 2016.

Outstanding Debt

	<u>Governmental Activities</u>	
	2017	2016
General obligation bonds	\$ 77.7	\$ 84.7
Qualified Zone Academy Bond loan payable	0.2	0.3
Qualified School Construction Bonds	21.5	23.2
	\$ 99.4	\$ 108.2

The Caddo Parish School Board entered into an additional capital lease agreement for vehicles (buses) during the current year. The total lease payable at June 30, 2017, was \$1,468,613.

For additional information regarding capital assets and long-term debt, see notes 5 and 8 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for FY 2017-2018 was presented to the Board:

- Property taxes were projected to increase slightly from FY2016-17
- Sales taxes were projected to decrease 0.6%
- State MFP Funding reflects the Department of Education’s model with no growth
- No anticipated increase for healthcare costs
- Retirement costs were based on rates determined by the plan systems
- 5% pay raise included in budgeted expenditures
- School Staffing is based on approved formulae, when applicable

Requests for Information

This financial report is designed to provide a general overview of the Caddo Parish School Board's finances for all those with an interest in the Caddo Parish School Board's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to James G. Lee, Chief Financial Officer, Caddo Parish School Board, P.O. Box 32000, Shreveport, LA 71130-2000, or by calling (318) 603-6355, or by emailing jlee@caddoschools.org.

Caddo Parish School Board

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BASIC FINANCIAL STATEMENTS:

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Statement of Net Position
June 30, 2017

Statement A

	Primary Government	Discretely Presented Component Units
Assets		
Cash and cash equivalents	\$ 137,866,865	\$ 3,159,198
Receivables	20,701,611	103,720
Inventory	1,246,995	-
Other assets	505,848	370,823
Restricted assets		
Cash and cash equivalents	21,501,964	-
Capital assets not being depreciated		
Land	4,871,357	-
Construction in progress	8,906,624	-
Capital assets net of accumulated depreciation		
Buildings and equipment	194,850,308	28,354,706
Total assets	<u>390,451,572</u>	<u>31,988,447</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	99,810,813	-
Unamortized loss on refunding bonds	1,009,144	-
Total deferred outflows of resources	<u>100,819,957</u>	<u>-</u>
Liabilities		
Accounts payable	8,364,038	1,499,811
Claims payable	7,094,620	-
Salaries and wages payable	53,792,278	-
Retainage payable	272,361	-
Unearned revenue	11,350	-
Interest payable - bonds	985,697	-
Long-term liabilities		
Due within one year	21,981,437	354,524
Due in more than one year	98,736,356	32,340,950
Net pension liability	569,244,069	-
Net other post-employment benefit obligation	655,837,952	-
Total liabilities	<u>1,416,320,158</u>	<u>34,195,285</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	57,609,292	-
Unamortized gain on refunding bonds	143,183	-
Total deferred inflows of resources	<u>57,752,475</u>	<u>-</u>
Net Position		
Net investment in capital assets	107,803,609	1,348,256
Restricted net position for:		
Debt service	9,971,469	-
Instructional enhancement		
Expendable	275,387	-
Nonexpendable	21,501,964	-
Child Nutrition Program	4,171,330	-
Capital projects	9,052,085	-
Unrestricted net position (deficit)	<u>(1,135,576,948)</u>	<u>(3,555,094)</u>
Total net position (deficit)	<u>(\$ 982,801,104)</u>	<u>(\$ 2,206,838)</u>

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Statement of Activities
For the Year ended June 30, 2017

Statement B

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	Discretely Presented Component Units
Primary government					
Governmental activities					
Instruction					
Regular programs	\$ 146,081,564	\$ -	\$ 18,160,802	(\$ 127,920,762)	\$ -
Special programs	55,765,588	-	7,904,738	(47,860,850)	-
Other instructional programs	35,823,476	-	454,603	(35,368,873)	-
Support services					
Student services	29,192,321	-	1,814,336	(27,377,985)	-
Instructional staff support	26,267,686	-	1,196,229	(25,071,457)	-
General administration	7,387,942	-	90,793	(7,297,149)	-
School administration	28,684,686	-	2,506,299	(26,178,387)	-
Business services	4,011,121	-	375,143	(3,635,978)	-
Plant services	65,482,436	-	3,128,608	(62,353,828)	-
Student transportation services	23,680,663	-	2,756,776	(20,923,887)	-
Central services	7,241,921	-	507,449	(6,734,472)	-
Food services	17,715,853	307,215	16,944,309	(464,329)	-
Community service programs	690,196	-	-	(690,196)	-
Interest and issuance costs on long-term debt	2,661,913	-	-	(2,661,913)	-
Total primary government	<u>\$ 450,687,366</u>	<u>\$ 307,215</u>	<u>\$ 55,840,085</u>	<u>(394,540,066)</u>	<u>-</u>
Total component units	19,662,989	-	399,437	-	(19,263,552)
	<u>\$ 19,662,989</u>	<u>\$ -</u>	<u>\$ 399,437</u>	<u>-</u>	<u>(19,263,552)</u>
General revenues					
Taxes					
Ad valorem taxes levied for general purposes				100,246,470	-
Ad valorem taxes levied for debt service purposes				8,658,568	-
Ad valorem taxes levied for capital improvements				20,407,360	-
Sales taxes levied for salaries, benefits, and general purposes				72,891,833	-
Grants and contributions not restricted to specific programs					
Minimum Foundation Program				189,944,015	17,424,139
State revenue sharing				1,916,710	-
Interest and investment earnings				404,569	-
Contributions to permanent funds				588,925	-
Miscellaneous				7,308,885	384,368
Total general revenues				<u>402,367,335</u>	<u>17,808,507</u>
Change in net position (deficit)				7,827,269	(1,455,045)
Net position (deficit) - beginning				(992,930,098)	(751,793)
Prior period adjustment				2,301,725	-
Net position (deficit) - beginning, as restated				<u>(990,628,373)</u>	<u>(751,793)</u>
Net position (deficit) - ending				<u>(\$ 982,801,104)</u>	<u>(\$ 2,206,838)</u>

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

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2017

Statement C

	General	Permanent Fund - CEEF	Non Major Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 67,520,872	\$ -	\$ 31,657,883	\$ 99,178,755
Cash and cash equivalents- restricted	-	21,501,964	-	21,501,964
Receivables	10,371,025	-	10,330,585	20,701,610
Interfund receivables	7,308,335	-	-	7,308,335
Inventory	969,185	-	277,810	1,246,995
Other assets	505,000	-	848	505,848
Total assets	\$ 86,674,417	\$ 21,501,964	\$ 42,267,126	\$ 150,443,507
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,392,931	\$ -	\$ 5,141,648	7,534,579
Salaries and wages payable	47,727,698	-	6,086,503	53,814,201
Interfund payables	-	-	7,308,335	7,308,335
Unearned revenue	11,350	-	-	11,350
Total Liabilities	50,131,979	-	18,536,486	68,668,465
Fund balances				
Nonspendable	1,474,185	21,501,964	277,810	23,253,959
Restricted	-	-	23,285,423	23,285,423
Committed	21,625,176	-	167,407	21,792,583
Unassigned	13,443,077	-	-	13,443,077
Total fund balances	36,542,438	21,501,964	23,730,640	81,775,042
Total liabilities and fund balances	\$ 86,674,417	\$ 21,501,964	\$ 42,267,126	\$ 150,443,507

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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

Statement D

Total fund balances - Governmental Funds at June 30, 2017		\$ 81,775,042
<p>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 is reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	481,414,913	
Accumulated depreciation	<u>(272,786,624)</u>	208,628,289
Deferred outflows of resources reported in the Statement of Net Position		100,819,957
Deferred inflows of resources reported in the Statement of Net Position		(57,752,475)
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are reported in the government wide statements</p>		
		(198,598,888)
<p>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.</p>		
Long-term liabilities		
General obligation bonds payable	(77,688,565)	
Qualified Zone Academy bonds	(162,717)	
Qualified School Construction bond	(21,504,785)	
Compensated absences payable	(14,169,463)	
Net pension liability	(569,244,069)	
OPEB liability (prior to self insurance)	(426,453,109)	
Claims and judgments payable	(5,723,650)	
Capital lease payable	(1,468,613)	
Interest payable	(985,697)	
Retainage payable	<u>(272,361)</u>	
		<u>(1,117,673,029)</u>
Net Position (Deficit) at June 30, 2017		<u><u>(\$ 982,801,104)</u></u>

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year ended June 30, 2017

	General	Permanent Fund- CEEF	Non Major Governmental Funds	Total
Statement E				
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ 100,246,470	\$ -	\$ 29,065,928	\$ 129,312,398
Sales and use	72,891,833	-	-	72,891,833
Interest earnings	354,664	21,375	28,529	404,568
Food services	-	-	307,153	307,153
Other	5,794,038	588,926	30,401	6,413,365
State sources				
Equalization	187,694,015	-	2,250,000	189,944,015
Other	1,775,975	-	2,224,214	4,000,189
Federal sources	1,095,152	-	52,661,452	53,756,604
Total revenues	369,852,147	610,301	86,567,677	457,030,125
EXPENDITURES				
Current				
Instruction				
Regular programs	146,860,062	-	1,119,420	147,979,482
Special programs	54,600,859	-	2,960,013	57,560,872
Other instructional programs	20,442,677	-	14,556,038	34,998,715
Support services				
Student services	24,644,957	-	4,753,236	29,398,193
Instructional staff support	16,709,280	-	9,915,023	26,624,303
General administration	4,208,391	-	3,189,285	7,397,676
School administration	28,958,164	-	-	28,958,164
Business services	3,858,016	-	184,870	4,042,886
Plant services	46,616,367	-	26,745	46,643,112
Student transportation services	21,954,352	-	305,125	22,259,477
Central services	7,059,487	-	246,370	7,305,857
Food services	-	-	17,649,081	17,649,081
Community service programs	-	-	690,196	690,196
Capital outlay	754,966	-	21,158,710	21,913,676
Debt service				
Principal retirement	535,509	-	8,449,059	8,984,568
Interest and bank charges	-	-	2,958,166	2,958,166
Total expenditures	377,203,087	-	88,161,337	465,364,424
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,350,940)	610,301	(1,593,660)	(8,334,299)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	16,330	16,330
Transfers out	-	(16,330)	-	(16,330)
Sales of capital assets	33,058	-	62	33,120
Other financing sources - capital lease agreement	754,966	-	-	754,966
Total other financing sources (uses)	788,024	(16,330)	16,392	788,086
Net change in fund balances	(6,562,916)	593,971	(1,577,268)	(7,546,213)
FUND BALANCES - BEGINNING	43,105,354	20,907,993	25,307,908	89,321,255
FUND BALANCES - ENDING	\$ 36,542,438	\$ 21,501,964	\$ 23,730,640	\$ 81,775,042

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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

		Statement F
Total net change in fund balances - governmental funds	(\$	7,546,213)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	(17,125,191)
Capital outlays		19,200,319
Capital asset disposals, net	(1,265,198)
Net cost of capital assets		<u>809,930</u>
The net pension liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net pension liability.	(24,989,176)
Change in deferred outflows of resources		38,113,144
Change in deferred inflows of resources	(420,241)
The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Repayment of bond principal		8,449,059
Other financing source - capital lease	(724,397)
Payment of capital lease		502,399
Amortization of gain/loss of refunding bonds, net		378,854
Internal services funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(6,743,406)
In the Statement of Activities, certain expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In 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 earned exceeded the amounts used by		279,593
Some expenses reported in the statement of activities are not matured and, therefore, are not reported as expenditures in governmental funds.		
Claims and judgments and retainage	(<u>282,277)</u>
Change in net position of governmental activities		<u><u>\$ 7,827,269</u></u>

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

Caddo Parish School Board
Shreveport, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Fund Net Position
June 30, 2017

Statement G

ASSETS

Cash and cash equivalents	\$ 38,688,110
Total assets	<u>38,688,110</u>

LIABILITIES

Current liabilities	
Accounts payable	807,534
Claims payable	<u>7,094,621</u>
Total current liabilities	<u>7,902,155</u>
Noncurrent liabilities	
OPEB liabilities	<u>229,384,843</u>
Total liabilities	<u>237,286,998</u>

NET POSITION

Unrestricted net position (deficit)	<u>(198,598,888)</u>
Total net position (deficit)	<u><u>(\$ 198,598,888)</u></u>

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
For the Year ended June 30, 2017

	Statement H
OPERATING REVENUE	
Premiums	\$ 103,871,388
Total operating revenue	<u>103,871,388</u>
OPERATING EXPENSES	
Medical claims	82,364,483
Prescription claims	24,604,919
Administration	<u>3,704,309</u>
Total operating expenses	<u>110,673,711</u>
Operating income (loss)	(6,802,323)
NON OPERATING REVENUES	
Earnings on investments	<u>58,917</u>
Changes in net position	(6,743,406)
NET POSITION (DEFICIT) - BEGINNING	(194,157,207)
Prior period adjustment	2,301,725
NET POSITION (DEFICIT) - BEGINNING AS RESTATED	<u>(191,855,482)</u>
NET POSITION (DEFICIT) - ENDING	<u>(\$ 198,598,888)</u>

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Cash Flows
For the Year ended June 30, 2017

Statement I

CASH FLOW FROM OPERATING ACTIVITIES	
Premiums	\$ 101,493,728
Claims paid	(85,308,983)
Administrative fees paid	(3,704,309)
	12,480,436
Net cash provided by operating activities	12,480,436
 CASH FLOW FOR INVESTING ACTIVITIES	
Earnings on investments	58,917
	58,917
Net cash provided by investing activities	58,917
	58,917
Net increase in cash and cash equivalents	12,539,353
	12,539,353
CASH AND CASH EQUIVALENTS - BEGINNING	26,148,756
	26,148,756
CASH AND CASH EQUIVALENTS - ENDING	\$ 38,688,109
	38,688,109
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	(\$ 6,802,323)
Adjustments to reconcile operating revenue to net cash provided by operating activities	
Prior period adjustment to beginning net position (deficit)	2,301,725
Changes in assets and liabilities	
(Increase) decrease in accounts payable	(2,377,660)
Increase (decrease) in claims payable	(204,359)
Increase (decrease) in OPEB liability	19,563,054
	19,563,054
Net cash provided by operating activities	\$ 12,480,437
	12,480,437

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

FIDUCIARY FUND
Statement of Fiduciary Net Position
June 30, 2017

Statement J

	Other Post Employment Benefits Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 107,125	\$ 5,430,316
Investments - CD's	-	335,511
Investments - Corporate bonds	12,944,280	-
Investments - U.S. government securities	6,531,083	-
Receivables	1,625,050	-
	\$ 21,207,538	\$ 5,765,827
 LIABILITIES		
Deposits due to others	\$ -	\$ 5,765,827
	\$ -	\$ 5,765,827
 NET POSITION		
Assets held in trust for OPEB benefits	\$ 21,207,538	\$ -

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

FIDUCIARY FUND
Statement of Change In Fiduciary Net Position
For the Year ended June 30, 2017

Statement K

	Other Post Employment Benefits Trust Fund
ADDITIONS	
Employer contributions	\$ 1,739,324
Earnings on investments	218,822
Total additions	1,958,146
DEDUCTIONS	
General and administrative expenses	160,886
Change in net position	1,797,260
Net position held in trust for OPEB benefits - beginning	19,410,279
Net position held in trust for OPEB benefits - ending	\$ 21,207,539

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

COMPONENT UNITS
Combining Statement of Net Position
June 30, 2017

Statement L

	Shreveport Charter Foundation, Inc. (Magnolia)	Pathways in Education - Louisiana, Inc. (Pathways)	AMIkids Caddo, Inc.	Total Component Units
Assets				
Cash and cash equivalents	\$ 1,809,510	\$ 1,329,975	\$ 19,713	\$ 3,159,198
Receivables	101,503	-	2,217	103,720
Other assets	297,487	23,275	50,061	370,823
Capital assets net of accumulated depreciation				
Buildings and equipment	27,006,450	1,338,227	10,029	28,354,706
Total assets	29,214,950	2,691,477	82,020	31,988,447
Liabilities				
Accounts payable	864,519	254,030	381,262	1,499,811
Long-term liabilities				
Due within one year	344,177	-	10,347	354,524
Due in more than one year	30,819,564	1,521,386	-	32,340,950
Total liabilities	32,028,260	1,775,416	391,609	34,195,285
Net Position				
Net investment in capital assets	-	1,338,227	10,029	1,348,256
Unrestricted net position	(2,813,310)	(422,166)	(319,618)	(3,555,094)
Total net position	(\$ 2,813,310)	\$ 916,061	(\$ 309,589)	(\$ 2,206,838)

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

COMPONENT UNITS
Combining Statement of Activities
For the Year ended June 30, 2017

Statement M

	Shreveport Charter Foundation, Inc. (Magnolia)	Pathways in Education - Louisiana, Inc. (Pathways)	AMIkids Caddo, Inc.	Total Component Units
Expenses	\$ 14,628,909	\$ 3,376,882	\$ 1,657,198	\$ 19,662,989
Program Revenues				
Operating grants and contributions	319,208	76,148	4,081	399,437
Net program (expenses) revenue	(14,309,701)	(3,300,734)	(1,653,117)	(19,263,552)
General Revenues				
Grants and contributions not restricted to specific programs				
Minimum Foundation Program	11,865,220	4,215,515	1,343,404	17,424,139
Miscellaneous	384,244	-	124	384,368
Total general revenues	12,249,464	4,215,515	1,343,528	17,808,507
Change in Net Position	(2,060,237)	914,781	(309,589)	(1,455,045)
Net position (deficit), beginning	(753,073)	1,280	-	(751,793)
Net position (deficit), ending	(\$ 2,813,310)	\$ 916,061	\$ (309,589)	(\$ 2,206,838)

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

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Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

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Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Caddo 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 Caddo Parish School Board (“School Board”) was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Caddo 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 twelve members who are elected from twelve districts for terms of four years.

The School Board operates 64 schools within the parish with a total enrollment of approximately 40,000 pupils in the 2016-2017 school year. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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 has three component units, the Shreveport Charter Foundation, Inc. (“Magnolia” or “Magnolia School of Excellence”), Pathways in Education – Louisiana, Inc. (“Pathways”), and AMIkids Caddo Inc. These charter schools are presented as discretely presented component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization’s governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Magnolia and Pathways are included in the reporting entity because they are fiscally dependent on the School Board for the majority of their revenue, and because exclusion would render the School System’s financial statements incomplete or misleading. However, the charter schools are legally separate entities and, as such, each appoints its own Board. Magnolia is a Type I Charter School that opened in the fall of 2014. It has a June 30 year end. Complete financial statements of this component unit can be obtained from Shreveport Charter Foundation, Inc., 2290 Clyde Fant Parkway, Shreveport, Louisiana 71104. Pathways is a Type I Charter School that opened in the Fall of 2015. It has a June 30 year end. Complete financial statements of this component unit can be obtained from Pathways in Education – Louisiana, Inc., 8999 Mansfield Road, Shreveport, Louisiana 71118. AMIkids Caddo, Inc. is a Type I Charter School that opened in the Fall of 2016. It has a June 30 year end. Complete financial statements of this component unit can be obtained from AMIkids Caddo, Inc., 3860 Hutchinson Street, Shreveport, Louisiana 71109.

The School Board and its component units represent the reporting entity. Additionally, the School Board is a legally separate elected governing body and does not meet the definition of a component unit of any other entity.

Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

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 accounts for all financial resources, except those accounted for in other funds.

Permanent Fund - CEEF - used to account for the Caddo Educational Excellence Fund. These monies are held by the School Board in trust and the principal cannot be expended.

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 health 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, or on behalf of other funds within the School Board.

Agency 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.

Office Concession Agency Fund - accounts for monies collected by school board employees working in the central office coffee shop for the purpose of replenishing items sold and maintenance of coffee shop equipment.

Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

Pension (and Other Postemployment 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 Postemployment Benefits Trust Fund - accounts for the assets held in an irrevocable trust for payment of retirees' health insurance premiums and costs.

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 Net Position and Statement of Changes in Fiduciary Net Position 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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting, and Financial Reporting for Non-exchange Transactions. The effect of Interfund Activity has been eliminated from the government-wide financial statements.

Internal activities: The employees' medical insurance internal service fund provides services to the governmental funds. Accordingly, the employees' insurance fund 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.

Program revenues Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Allocation of indirect expenses: The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund 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 general 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.

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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 recognized when all applicable eligibility requirements are met and the resources are available.

Sales taxes are recognized when underlying exchange transaction occurs and the resources are available.

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 and the susceptible to accrual criteria 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.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Other financing sources (uses) are transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) and are accounted 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 uses 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 non-operating 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 non-operating revenues and expenses.

Fiduciary Funds: The fiduciary funds include *agency funds and a trust fund*, which 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.

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D. BUDGETS

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds. Each year prior to September 15, the Superintendent submits to the Board members the proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the Board members' approval, to obtain citizens' comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

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

Encumbrances Encumbrance accounting is employed in governmental funds. Outstanding encumbrances lapse at year end. To the extent the School Board intends to honor the purchase orders and commitments, they are reported as restricted or committed fund balances in the fund financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

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 School Board. Legally, the School 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. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the functional level and management can transfer amounts between line items within a function. Amendments to the budget during the year were considered to be insignificant.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and 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, 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.

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The investments are reflected at fair value except for the following which are required/permitted as 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. The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

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 services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. ELIMINATION AND RECLASSIFICATIONS

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. Interfund services provided or used are not eliminated in the process of consolidation.

I. INVENTORY AND PREPAID ITEMS

Inventory is recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

Inventory of the child nutrition program special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Unused commodities at June 30 are reported as unearned revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. During the year ended June 30, 2017, the School Board received cash in lieu of commodities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

J. CAPITAL ASSETS

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The School Board maintains a threshold level for capitalization of the following: \$100,000 for buildings, building improvements and intangibles, \$50,000 for land and land improvements, \$100,000 for intangibles and \$5,000 for equipment and vehicles. Donated capital assets are recorded at their acquisition value at the time of acquisition.

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Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings	25 – 45 years
Land improvements	10 – 25 years
Building improvements	10 – 30 years
Furniture and equipment	5 – 20 years
Vehicles	5 – 8 years
Intangibles - software	10 years
Intangibles - other	10 years

Land and construction in progress are not depreciated.

K. UNEARNED REVENUES

The School Board reports unearned revenues on its Statement of Net Position and fund balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed and the revenue is recognized.

L. COMPENSATED ABSENCES

All 12-month employees earn ten to twenty days of vacation leave each year depending upon length of service. Vacation leave may be accumulated up to one hundred and fifty percent of their annual allotment. Upon termination, employees may be paid for their accumulated balance.

All School Board employees earn twelve to sixteen days of sick leave each year depending upon length of service. Sick leave may be accumulated without limitation. Upon retirement or death unused accumulated sick leave of up to 25 days is paid to employees per Louisiana Revised Statute 17:425 at the employees current rate of pay and all unused sick leave is used in the retirement computation as earned service.

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

The School Board's recognition and measurement criteria for compensated absences follow:

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' right to receive compensation is attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave should be accrued using one of the following termination approaches:

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1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses the latter approach to accrue the liability for sick leave which includes salary-related payments. Employees with ten years or more of experience are included.

Sabbatical leave benefits are accrued in the government-wide financial statements if they are based on past service, will be used as unrestricted time off, and are probable of being paid. In the fund financial statements, sabbatical leave benefits are recorded in the governmental fund only if the benefits are due and payable.

All School Board employees earn 90 days of extended sick leave that can be used over a 6 year period. It is paid at a rate of 65% of their daily rate of pay. At the end of each 6 year period, the available days is reset to 90 days. All School Board employees earn 30 days catastrophic sick days that can be used over a 6 year period. It is paid at 50% of their daily rate of pay. At the end of each 6 year period, the available days is reset to 30 days.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has several items that meet this criterion: unamortized loss from refunding bonds, contributions made to the pension plan in the 2017 fiscal year and deferrals of changes of assumptions, changes in proportion, and differences between School Board contributions and proportionate share of contributions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has several items that meet the criterion for this category: unamortized gain from refunding bond, deferrals of difference between expected and actual experience, difference between projected and actual earnings on pension plan investment, and changes in proportion and pension.

N. LONG-TERM LIABILITIES

For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

O. RESTRICTED NET POSITION

For the government-wide statement of net position, net position are reported as restricted when constraints placed on net asset 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.

Net Position as of June 30, 2017, restricted by enabling legislation, is \$44,972,235.

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P. FUND BALANCES 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.

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 resolutions that were passed at a School Board meeting 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 currently does not have a policy authorizing the assignment of fund balance.

Unassigned: Fund balance that is the residual classification for the general fund. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, then restricted resources as necessary. 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.

Q. INTERFUND ACTIVITY

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

The Caddo Parish School Board has the following three sales tax ordinances:

The voters of Caddo Parish approved on June 6, 1967, a one-half of one percent (1/2%) parish-wide sales tax to be used to supplement salaries of teachers of Caddo Parish and for the operation of public schools in Caddo Parish.

The voters of Caddo Parish approved on May 27, 1969, a one-half of one percent (1/2%) parish-wide sales tax to be used to supplement salaries of teachers of Caddo Parish and for the operation of public schools in Caddo Parish.

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The voters of Caddo Parish approved on May 4, 1985, a one-half of one percent (1/2%) parish-wide sales tax to be used to supplement salaries of teachers of Caddo Parish and other School Board employees and for the operation of public schools in Caddo Parish.

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 expenditures during the reporting period. Actual results could differ from those estimates.

T. ADOPTION OF NEW FINANCIAL STANDARDS

The School Board adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, during the current fiscal year ended June 30, 2017, which did not result in a material impact on the financial statements. The School Board's note disclosures reflect any required changes.

In March 2016, the GASB issued Statement No. 82 – *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The School Board implemented this statement for the year ended June 30, 2017, which did not result in a material impact on the financial statements.

U. FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several pronouncements that have effective dates that may impact future presentations. The School Board is currently evaluating the potential impacts of the following GASB statements on its accounting practices and financial statements.

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*.

NOTE 2 - LEVIED TAXES

The School Board levies taxes on real and business personal property located within Caddo Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Caddo Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Caddo 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 1
Levy date	Not later than June 1
Tax bills mailed	On or about November 25
Due date	December 31
Lien date	January 1
Tax sales – 2016 delinquent property	On or about May 15

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Assessed values are established by the Caddo 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 after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$2,097,808,519 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. The homestead exemption was \$343,400,769 of the assessed value in calendar year 2016.

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 1.00% 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.

All property taxes are recorded in the general fund, parish-wide capital projects fund, and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. 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. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2017 property taxes because the lien date is subsequent to year end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the bulk of property taxes are collected by the Sheriff in December, January, and February.

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:

	Date of Voter Approval	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:				
Constitutional	Statutory	8.48	7.70	n/a
Maintenance and operation	July 20, 2002	17.11	16.77	2023
Operation, Maintenance, and Support	July 20, 2002	11.26	11.04	2024
Employee Salaries & Benefits	April 9, 2016	20.18	19.78	2026
Technology	April 9, 2016	1.25	1.23	2026
Special Building, Repair, & Equipment	July 20, 2002	6.86	6.73	2023
Special Renovations	April 9, 2016	5.15	5.05	2026
Bond and Interest	October 18, 1997	Variable	5.00	2033

NOTE 3 - DEPOSITS AND INVESTMENTS

Governmental and Agency Funds

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.

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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.

Custodial credit risk: At year-end, the School Board's carrying amount of deposits was \$165,241,781 and the bank balance was \$170,497,928.

These deposits are reported as follows: Statement A-cash and cash equivalents, \$137,866,865; Statement A-restricted cash and cash equivalents, \$21,501,964; and Statement J-cash and cash equivalents, \$5,872,952. Of the bank balance, \$92,474,215 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. There were no unsecured funds as of June 30, 2017. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's investment policy does not specifically address custodial credit risk.

The deposits include a balance of \$35,715,487 in a sweep account. Funds in this account are invested in U. S. Government securities at night and swept back to the bank account the next morning. The agreement with the bank specifies that all purchased securities in the possession of the bank shall be segregated from other securities in its possession and shall be identified as subject to the terms of the agreement.

Restricted cash is reported on the statement of net position. This is cash in the Caddo Educational Excellence Fund (CEEF) permanent fund.

Other Post-employment Benefits Trust Fund

The School Board follows the state law regarding investments in postemployment 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.

Fair Value Measurements: The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The implementation of this new statement did not change the method of measuring the fair value of the School Board's assets. These guidelines recognize a three-tiered fair value hierarchy.

- Level 1—Investments reflect prices quoted in active markets.
- Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3—Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix and market-corroborate pricing and inputs such as yield curves and indices. Matrix pricing is used to value securities based on the securities' relationship to benchmark quote prices.

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Investments by Fair Value Level	6/30/2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U. S. government securities	\$ 6,531,083	\$ 501,055	\$ 6,030,028	\$ -
Corporate bonds	12,944,280	12,944,280	-	-
Total	\$ 19,475,363	\$ 13,445,335	\$ 6,030,028	\$ -

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 postemployment 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	\$ 6,531,083	\$ -	\$ 4,348,346	\$ 1,284,535	\$ 898,202
Corporate bonds	12,944,280	1,146,628	3,786,166	6,440,740	1,570,746
Total	\$ 19,475,363	\$ 1,146,628	\$ 8,134,512	\$ 7,725,275	\$ 2,468,948

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 \$481,181 is held in a trust account.

Credit Rate Risk: The credit risk of the other postemployment benefits trust fund is managed by restricting investments to those authorized by R.S. 33:5162. The School Board's policy does not address credit rate risk.

Description of investment	Fair Value	Rating by Standard & Poor's		
		AA	A	BBB
U. S. government securities	\$ 6,531,083	\$ 6,531,083	\$ -	\$ -
Corporate bonds	12,944,280	585,871	4,586,513	7,771,896
Total	\$ 19,475,363	\$ 7,116,954	\$ 4,586,513	\$ 7,771,896

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, 2017, no more than 5 percent of the other postemployment benefits trust fund's total investments were invested in any single issuer.

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NOTE 4 - RECEIVABLES

The receivables at June 30, 2017, are as follows:

Class of Receivables	General	Non Major Governmental	Total
Taxes:			
Ad Valorem	\$ 794,045	\$ 235,741	\$ 1,029,786
Sales Tax	6,754,579	-	6,754,579
Intergovernmental grants:			
Federal	1,015,296	9,999,288	11,014,584
State	-	90,159	90,159
Other	1,807,105	5,397	1,812,502
Total	<u>\$ 10,371,025</u>	<u>\$ 10,330,585</u>	<u>\$ 20,701,610</u>

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

NOTE 5 - CAPITAL ASSETS

Capital assets balances and activity for the year ended June 30, 2017, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,871,357	\$ -	\$ -	\$ 4,871,357
Construction in progress	6,490,232	14,870,401	12,454,010	8,906,623
Total capital assets not being depreciated	<u>11,361,589</u>	<u>14,870,401</u>	<u>12,454,010</u>	<u>13,777,980</u>
Capital assets being depreciated				
Buildings & improvements	395,729,555	12,320,914	3,658,948	404,391,521
Furniture and equipment	28,877,512	3,371,138	2,962,234	29,286,416
Transportation equipment	31,528,023	803,779	43,324	32,288,478
Intangibles - software	1,515,518	155,000	-	1,670,518
Total capital assets being depreciated	<u>457,650,608</u>	<u>16,650,831</u>	<u>6,664,506</u>	<u>467,636,933</u>
Total cost of capital assets	<u>469,012,197</u>	<u>31,521,232</u>	<u>19,118,516</u>	<u>481,414,913</u>
Less accumulated depreciation				
Buildings & improvements	213,841,185	13,135,409	1,809,576	225,167,018
Furniture and equipment	19,350,890	3,294,422	2,988,489	19,656,823
Transportation equipment	26,965,313	529,600	734,340	26,760,573
Intangibles - software	1,036,450	165,760	-	1,202,210
Total accumulated depreciation	<u>261,193,838</u>	<u>17,125,191</u>	<u>5,532,405</u>	<u>272,786,624</u>
Total capital assets being depreciated, net	<u>196,456,770</u>	<u>(474,360)</u>	<u>1,132,101</u>	<u>194,850,309</u>
Governmental activities				
Capital assets, net	<u>\$ 207,818,359</u>	<u>\$ 14,396,041</u>	<u>\$ 13,586,111</u>	<u>\$ 208,628,289</u>

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Depreciation expense was charged to governmental activities as follows:

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 2,868,799
Special programs	130,209
Other instructional programs	90,929
Instructional staff support	162,377
General administration	949
School administration	10,530
Business services	10,803
Plant services	12,785,334
Student transportation services	979,028
Food services	86,233
Total depreciation expense	<u>\$ 17,125,191</u>

NOTE 6 - RETIREMENT SYSTEMS

Plan Description

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

Benefits Provided

TRSL

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

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average compensation is defined as the highest average 36-month period.

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

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

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post -DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based on the account balance.

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

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

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

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed

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by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

LSERS

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010.

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

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit. For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the system on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits; however, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who join the system on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

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

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

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subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(E)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

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

LASERS

LASERS provides retirement, deferred retirement option plan (DROP), disability, and survivor's benefits. The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

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

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

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

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

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

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Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2017 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	25.5%	8.0%
Plan A	30.7%	9.1%
Plan B	28.2%	5.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017, was 25.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$48,680,651 for the year ended June 30, 2017.

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2017 was 27.3%. The actual employer rate for the year ended June 30, 2017 was 27.3%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$4,833,583 for the year ended June 30, 2017.

LASERS

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2017, for the relative plans follow:

LASERS Plan (Regular Employees and Optional Retirement Plan (ORP))	Plan Status	School Board	Employees
Pre Act 75 (hired before 7/1/2006)	Closed	35.8%	7.5%
Post Act 75 (hired after 6/30/2006)	Open	35.8%	8.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017, was 35.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$212,130 for the year ended June 30, 2017.

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

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

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2016, and the change compared to the June 30, 2015, proportion.

	Net Pension Liability at June 30, 2017	Proportion at June 30, 2016	Increase (Decrease) to June 30, 2015 Proportion
TRSL	\$ 517,735,628	4.411150%	-0.206326%
LSERS	48,850,117	6.475813%	-0.670721%
LASERS	2,658,324	0.033850%	-0.002215%
	<u>\$ 569,244,069</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2017.

	Pension Expense	Amortization	Total
TRSL	\$ 52,820,103	\$ (15,224,728)	\$ 37,595,375
LSERS	6,041,147	(1,308,390)	4,732,757
LASERS	273,233	78,630	297,543
	<u>\$ 59,134,483</u>	<u>\$ (16,508,808)</u>	<u>\$ 42,625,675</u>

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

<u>TRSL</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,221,543
Net difference between projected and actual earnings on pension plan investments	37,689,948	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	565,398	41,010,453
Employer contributions subsequent to the measurement date	48,680,651	-
Total TRSL	<u>\$ 86,935,997</u>	<u>\$ 51,231,996</u>

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<u>LSERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,333,080
Changes in assumptions	1,157,262	1,291,150
Net difference between projected and actual earnings on pension plan investments	6,188,493	3,295,777
Changes in proportion and differences between employer contributions and proportionate share of contributions	143,876	156,547
Employer contributions subsequent to the measurement date	4,833,583	-
Total LSERS	<u>\$ 12,323,214</u>	<u>\$ 6,076,554</u>

<u>LASERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,539	\$ 24,655
Changes in assumptions	331,099	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,833	276,087
Employer contributions subsequent to the measurement date	212,130	-
Total LASERS	<u>\$ 551,601</u>	<u>\$ 300,742</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
TRSL	\$ 86,935,997	\$ 51,231,996
LSERS	12,323,214	6,076,554
LASERS	551,601	300,742
	<u>\$ 99,810,812</u>	<u>\$ 57,609,292</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date of \$53,726,364 will be recognized as a reduction of net pension liability in the year ending June 30, 2017. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
TRSL	\$ 48,680,651
LSERS	4,833,583
LASERS	212,130
	<u>\$ 53,726,364</u>

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	TRSL	LSERS	LASERS	Total
2018	\$ (14,184,060)	\$ (1,792,972)	\$ (163,601)	\$ (16,140,633)
2019	(14,184,060)	(1,371,579)	(5,323)	(15,560,962)
2020	11,000,983	2,796,719	128,672	13,926,374
2021	4,390,487	1,780,909	78,981	6,250,377
	<u>\$ (12,976,650)</u>	<u>\$ 1,413,077</u>	<u>\$ 38,729</u>	<u>\$ (11,524,844)</u>

Actuarial Assumptions

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

	TRSL	LSERS	LASERS
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	-	-
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.75% net of investment expenses	7.125% net of investment expenses	7.75% per annum.
Inflation Rate	2.5% per annum.	2.625%	3.00% per annum.
Salary Increases	3.5% - 10.0% varies depending on duration of service.	2008-2012 experience study, ranging from 3.075% to 5.375%.	2009-2013 experience study, ranging from 4% to 13%
Cost of Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Mortality	Mortality rates based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of

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assumptions were year (2008-2012) experience the System's members.
 projected based on a study of the System's members.
 five-year (2008-2012)
 experience study of
 the System's members.

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

TRSL	LSERS	LASERS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.	The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.	The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2016:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	-0.24%
Domestic equity	31.0%	51.0%	25.0%	4.5%	3.10%	4.31%
International equity	19.0%	-	32.0%	5.31%	-	5.48%
Domestic fixed income	14.0%	30.0%	8.0%	2.45%	1.82%	1.63%
International fixed income	7.0%	-	6.0%	3.28%	-	2.47%
Private Equity	-	-	-	6.8%	-	-
Alternative investments	29.0%	13.0%	22.0%	4.82%	0.79%	7.42%
Global asset allocation	-	-	7.0%	-	-	2.92%
Real assets	-	6.0%	-	-	0.36%	-
Total	100.0%	100.0%	100.0%	n/a	6.07%	n/a
Inflation					2.00%	
Expected Arithmetic Nominal Return					8.07%	

n/a – amount not provided by Retirement System

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Discount Rate

The discount rates used to measure the total pension liability for TRSL, LSERS, and LASERS were 7.75%, 7.125%, and 7.75%, respectively, for the year ended June 30, 2016.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the School Board's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.75%	7.75%	8.75%
Share of NPL	\$ 645,774,791	\$ 517,735,625	\$ 408,782,947
LSERS			
Discount rate	6.125%	7.125%	8.125%
Share of NPL	\$ 64,126,595	\$ 48,850,117	\$ 35,762,132
LASERS			
Discount rate	6.75%	7.75%	8.75%
Share of NPL	\$ 3,265,998	\$2,658,324	\$ 2,141,993

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$1,684,763 for its participation in TRSL. LSERS and LASERS do not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS or LASERS for the year ended June 30, 2017.

Pension Plans Fiduciary Net Position

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

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Payables to the Pension Plan

As of June 30, 2017, the School Board had payables due to the pension plans totaling \$9,414,415. Payables are the School Board's legally required contributions to the pension plans. Outstanding balances will be applied the School Board's required monthly contributions. The balance due to each of the pension plans is as follows:

	Payables
TRSL	\$ 8,612,961
LSERS	751,420
LASERS	50,034
	\$ 9,414,415

NOTE 7 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY)

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

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
School Activities Fund	\$ 5,645,437	\$ 14,267,035	\$ 14,149,196	\$ 5,763,276
Central Office Concession Fund	2,099	916	464	2,551
School Activities Fund	\$ 5,647,536	\$ 14,267,951	\$ 14,149,660	\$ 5,765,827

NOTE 8 - LONG-TERM LIABILITIES

The School Board has issued the following types of long-term liabilities, all which pertain to the School Board's governmental activities.

General Obligation Bonds: The School Board issues general obligation bonds to provide funds for the acquisition of land for schools, to build new facilities and to improve capital assets. General obligation bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds generally are issued as 20- or 25-year serial bonds with varying amounts of principal maturing each year.

Qualified Academy Zone Bond: The School Board has also borrowed funds through this special interest-free loan program sponsored by the U.S. government to fund lighting retrofit programs and to install air-conditioning in school cafeterias. In February 2002, the School Board borrowed \$3,500,000. In March 2008, the School Board borrowed \$1,582,450 to fund technology wiring and disabled access projects.

Qualified School Construction Bond: The School Board received authority under the American Recovery and Reinvestment Act of 2009 (ARRA) to issue taxable bonds for construction, rehabilitation or repair of public school facilities. The bonds are interest free and bond holders receive a tax credit in lieu of interest. In June 2009, the School Board issued revenue bonds of \$17,359,000 to be paid from the constitutional tax of 7.96 mills collected annually. In 2011 the School Board issued revenue bonds of \$20,707,000 to be paid from the constitutional tax of 7.96 mills collected annually.

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Summary of Transactions and Balances: The following is a summary of the long-term liabilities transactions and balances for the year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Bonds payable:					
General Obligation debt	\$ 84,687,418	\$ -	\$ 6,998,852	\$ 77,688,566	\$ 7,274,626
Qualified Zone Academy bond	320,962	-	158,246	162,716	162,716
Qualified School Construction bond	23,175,599	-	1,670,814	21,504,785	2,537,733
Other liabilities:					
Compensated absences	14,449,057	8,730,548	9,010,142	14,169,463	9,010,142
Capital lease payable	1,246,615	754,966	532,968	1,468,613	561,037
Net pension liability	544,254,893	80,766,946	55,777,770	569,244,069	-
OPEB liability	636,274,898	57,607,951	38,044,897	655,837,952	-
Claims & judgments payable	5,500,246	3,347,724	3,124,320	5,723,650	2,435,183
Total	<u>\$ 1,309,909,688</u>	<u>\$ 151,208,135</u>	<u>\$ 115,318,009</u>	<u>\$ 1,345,799,814</u>	<u>\$ 21,981,437</u>

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service fund. The Qualified Zone Academy Bonds and Qualified School Construction Bonds payments are made by the parish-wide capital projects fund. The compensated absences liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, approximately 92.9% was paid by the general fund and the remaining 7.1% by other governmental funds. Claims and judgments payable have typically been liquidated by the general fund. Each governmental fund with payroll expense is also used to liquidate pension liabilities.

	Original Amount	Interest Rates	Range of Maturities	Interest to Maturity	Principal Outstanding
General Obligation Bonds:					
Series 2004	\$ 14,000,000	4.00 to 6.50%	3/1/07 - 3/1/18	\$ 5,059	\$ 115,000
Series 2008	14,290,000	3.63 to 6.00%	3/1/10 - 3/1/33	307,519	2,605,000
Unamortized portion of related bond discount					15,572
Refunding Series 2005 Bonds	12,405,000	3.00 to 5.00%	3/1/06 - 3/1/18	76,749	1,535,000
Unamortized portion of related bond premium					51,054
Refunding Series 2005A Bonds	12,710,000	3.00 to 5.25%	3/1/06 - 3/1/20	462,499	4,545,000
Unamortized portion of related bond premium					419,583
Refunding Series 2010 Bond	5,365,000	3.45%	3/1/11 - 3/1/21	209,426	2,385,000
Refunding Series 2012 Bond	9,960,000	1.00 to 3.13%	3/1/13 - 3/1/29	1,951,425	9,465,000
Unamortized portion of related bond premium					24,457
Refunding Series 2013 Bond	15,280,000	2.00 to 5.00%	9/1/13 - 3/1/30	3,716,350	13,760,000
Unamortized portion of related bond premium					1,211,786
Refunding Series 2014 Bond	15,810,000	2.00 to 4.00%	3/1/15 - 3/1/31	4,204,138	14,875,000
Unamortized portion of related bond premium					593,056
Refunding Series 2015 Bond	14,530,000	3.00 to 5.00%	3/1/18 - 3/1/32	5,702,056	14,530,000
Unamortized portion of related bond premium					2,006,906
Refunding Series 2016 Bond	8,480,000	3.00 to 4.00%	3/1/23 - 3/1/33	3,792,350	8,480,000
Unamortized portion of related bond premium					1,071,151
QZAB					
Series 2002	3,500,000	n/a	5/1/02 - 11/1/15	n/a	4,471
Series 2008	1,582,450	n/a	3/1/09 - 3/20/18	n/a	158,245
QSCB					
Series 2009	17,359,000	n/a	6/1/10 - 6/1/24	n/a	8,502,706
Series 2011	20,707,000	n/a	6/1/12 - 6/1/26	n/a	13,002,079
				<u>\$ 20,427,571</u>	<u>\$ 99,356,066</u>

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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. At June 30, 2017, the School Board had accumulated \$9,971,469 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30	General Obligation Bonds		QZAB Loan	QSCB Loan	TOTAL	
	Principal Payments	Interest Payments	Principal Payments	Principal Payments	Principal Payments	Interest Payments
2018	\$ 7,274,626	\$ 2,688,911	\$ 162,716	\$ 2,537,733	\$ 9,975,075	\$ 2,688,911
2019	5,944,501	2,425,534	-	2,537,733	8,482,234	2,425,534
2020	6,262,053	2,226,270	-	2,537,733	8,799,786	2,226,270
2021	4,699,083	2,006,823	-	13,891,586	18,590,669	2,006,823
2022	21,220,632	1,859,756	-	-	21,220,632	1,859,756
2023-2027	26,416,804	6,845,123	-	-	26,416,804	6,845,123
2028-2032	5,759,716	2,327,334	-	-	5,759,716	2,327,334
2033-2036	111,150	47,800	-	-	111,150	47,800
Total	\$ 77,688,565	\$ 20,427,551	\$ 162,716	\$ 21,504,785	\$ 99,356,066	\$ 20,427,551

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, 2017, the statutory limit is \$730,784,640 and outstanding net bonded debt totals \$67,717,097.

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, 2017, \$17,687,777 of bonds outstanding is considered defeased.

Capital Lease Obligation: The School Board has seven capital lease agreements. These leases qualify as capital leases for accounting purposes and, therefore, have been reported at the present value of the future minimum lease payments as of the inception date.

The first lease obligation is due in annual installments of \$62,340 which includes interest at 2.48% through May 1, 2018. The three special needs passenger buses purchased under the capital lease total \$296,967 and are included in the capital assets of the School Board.

The second lease obligation is due in annual installments of \$88,046 which includes interest at 2.58% through November 15, 2017. The five special needs passenger buses purchased under the capital lease total \$418,635 and are included in the capital assets of the School Board.

The third lease obligation is due in annual installments of \$41,560 which includes interest at 2.58% through December 16, 2018. The two special needs passenger buses purchased under the capital lease total \$197,983 and are included in the capital assets of the School Board.

The fourth lease obligation is due in annual installments of \$106,197 which includes interest at 2.58% through December 18, 2018. The six passenger buses purchased under the capital lease total \$505,900 and are included in the capital assets of the School Board.

The fifth lease obligation is due in annual installments of \$37,582 which includes interest at 3.16% through April 1, 2020. The two passenger buses purchased under the capital lease total \$176,746 and are included in the capital assets of the School Board.

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The sixth lease obligation is due in annual installments of \$106,759 which includes interest at 2.93% through December 17, 2019. The six passenger buses purchased under the capital lease total \$502,362 and are included in the capital assets of the School Board.

The seventh lease obligation is due in monthly installments of \$12,583 which includes interest at 1.677 % through October 6, 2021. The ten passenger buses purchased under the capital lease total \$723,696 and are included in the capital assets of the School Board.

The amortization of the vehicles has been included in the School Board's depreciation expense. Obligations of the School Board's governmental activities under the capital lease at June 30, 2017, are as follows:

Years ending June 30:	Governmental activities		
	Principal Payments	Interest Payments	Total Payments
2018	\$ 561,037	\$ 32,440	\$ 593,477
2019	424,216	18,877	443,093
2020	284,408	10,927	295,335
2021	148,798	2,196	150,994
2022	50,331	175	50,506
Total	\$ 1,468,790	\$ 64,615	\$ 1,533,405

NOTE 9 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

The composition of interfund balances as of June 30, 2017, is as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 7,308,335	Non Major Governmental	\$ 7,308,335
Total	\$ 7,308,335		\$ 7,308,335

The purpose of the interfund assets/liabilities was to cover current-year expenditures on cost reimbursement programs until the payments between funds are made.

NOTE 10 - INTERFUND TRANSFERS (FFS LEVEL ONLY)

Transfers for the year ended June 30, 2017, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Non Major Governmental	\$ 16,330	\$ -
Permanent Fund - CEEF	-	16,330
Totals	\$ 16,330	\$ 16,330

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.

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NOTE 11 - 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 reappropriated in the next year. At June 30, 2017, the School Board had entered into purchase orders and commitments as follows:

General	Non Major Governmental	Total
\$4,010,813	\$12,560,101	\$16,570,914

NOTE 12 - 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.

The School Board is self-insured for workers' compensation. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. This liability does not include incremental costs, if any. The current amounts due and payable are recorded in the respective funds at June 30, 2017, and the remaining liability is included in the government-wide financial statements and paid through each fund.

The School Board is self-insured for health insurance coverage. Claims are funded through operating funds of the School Board. 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. The internal service fund for group health insurance benefits incurred a net loss of \$6,743,406 for the fiscal year and had a deficit in net position of \$198,598,888 at June 30, 2017. The loss is due to the increase in the OPEB liability for the year.

Changes in the claims amount in previous fiscal years were as follows:

Worker's comp

<u>Year Ended June 30,</u>	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments	Ending of Fiscal Year Liability
2015	\$ 3,360,448	\$ 2,504,816	\$ 2,561,312	\$ 3,303,952
2016	3,303,952	2,924,413	2,970,119	3,258,246
2017	3,258,246	3,347,724	3,124,320	3,481,650

Health Insurance

<u>Year Ended June 30,</u>	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments	Ending of Fiscal Year Liability
2015	\$ 7,079,364	\$ 87,124,382	\$ 87,376,940	\$ 6,826,806
2016	6,826,806	93,019,647	92,547,472	7,298,981
2017	7,298,981	87,482,283	87,686,643	7,094,621

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The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 - LITIGATION AND CLAIMS

Litigation At June 30, 2017, the School Board is involved in various litigation. A claims liability for \$2,242,000 is included in claims payable in the government-wide financial statements.

Construction Projects There are construction projects in progress at June 30, 2017. Construction in progress on these various projects at June 30, 2017 was \$8,906,623. These projects are funded by property tax receipts. The expected completion date is prior to June 30, 2018. The outstanding construction commitment at June 30, 2017, was \$10,022,018.

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 of disallowances, if any, which may arise from future audits will not be material.

Federal Arbitrage Regulations The School Board's bonded indebtedness is subject to the Internal Revenue Code's provisions applicable to arbitrage earnings. In government finance, these earnings result from the temporary investment of the proceeds of a government entity's tax exempt securities in materially higher yielding taxable securities. Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage liability at year end.

NOTE 14 - 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 \$19,337. This amount was recognized as revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 15 - 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 \$189,944,015 to the School Board, which represents approximately 42% of the School Board's total revenues for the year.

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

The Caddo – Shreveport Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of four members, two each selected from the Caddo Parish School Board and the

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City of Shreveport, in accordance with the joint agreement of the agencies. Sales taxes of \$72,891,833 were collected by the Commission and distributed to the School Board.

NOTE 17 - OTHER POSTEMPLOYMENT BENEFITS

Employer Disclosures under GASB Statement No. 45

Plan description – The Caddo Parish School Board contributes to a single-employer defined benefit healthcare plan, Caddo Parish School Board Retiree Benefit Funding Trust. This plan is administered by the School Board by using Reliant Investment Management, LLC, as an investment advisor. The Caddo Parish School Board Retiree Benefit Funding Trust does not issue a publicly available financial report.

Caddo Parish School Board Retiree Benefit Funding Trust is a fully insured, single-employer arrangement and has been deemed to be a single-employer plan (within the meaning of paragraph 50 of GASB 74) for financial reporting purposes and for this valuation. The Caddo Parish School Board's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), the Louisiana State Employees' Retirement System (LASERS) and the Louisiana School Employees' Retirement System (LSERS). All three systems have similar retirement (D.R.O.P. entry) eligibility provisions. Accordingly, we have assumed the following eligibility for retirement (D.R.O.P. entry): 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. In addition, employees hired on and after January 1, 2011, may not retire prior to age 60 without actuarial reduction in benefits.

Life insurance coverage is available to retirees by election and based on a modified unblended rate (active and retired). The retiree pays 75% of this modified unblended premium. Since GASB 75 requires the use of fully "unblended" rates, we have used the 94GAR mortality table described below to "unblend" these rates so as to reproduce the composite rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced to 75% of the original level at age 65 and again to 50% of the original level age 70 according to plan provisions.

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

Funding Policy - Until 2008, the Caddo Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (the Caddo Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Caddo Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$37,804,248 and \$36,967,904, respectively.

Effective fiscal year beginning June 30, 2009, Caddo Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Codification Section P50). In the fiscal year ending June 30, 2012, the Caddo Parish School Board began funding the ARC by making additional contributions over and above the current year's retiree funding costs.

Annual Required Contribution - The Caddo Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the

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contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the postemployment benefits. The actuarially computed ARC is as follows:

Normal Cost		\$	12,146,157
30-year UAL amortization amount			55,038,644
Annual required contribution (ARC)		\$	67,184,801

The following table presents the School Board's OPEB Obligation for fiscal years 2017, 2016, and 2015:

		2017		2016		2015
Beginning Net OPEB Obligation	\$	636,274,899	\$	609,835,408	\$	563,416,120
Annual required contribution		67,184,801		72,678,660		82,212,720
Interest on Net OPEB Obligation		31,813,745		30,491,770		22,536,645
ARC Adjustment		(41,390,595)		(39,670,668)		(32,582,410)
OPEB Cost		57,607,951		63,499,762		72,166,955
Contribution to Irrevocable Trust		(240,649)		(92,367)		(96,774)
Current year retiree premium		(37,804,248)		(36,967,904)		(25,650,893)
Change in Net OPEB Obligation		19,563,054		26,439,491		46,419,288
Ending Net OPEB Obligation	\$	655,837,953	\$	636,274,899	\$	609,835,408

Funded Status and Funding Progress - In 2017, the Caddo Parish School Board made a contribution of \$240,649, to its post-employment benefits plan over and above the retiree premium costs. The plan with accrued interest and unrealized gains/losses, thus had assets of \$19,708,863 as of June 30, 2017. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2017 was \$859,608,074 which is defined as that portion, as determined by a particular actuarial cost method (the Caddo Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

The funded status of the plan, as determined by an actuary for the year ended June 30, 2017, was as follows:

Actuarial Accrued Liability (AAL)		\$	859,608,074
Actuarial Value of Plan Assets (AVP)			19,708,863
Unfunded Act. Accrued Liability (UAAL)		\$	839,899,211
Funded Ratio (AVP/AAL)			2.29%
Covered Payroll (active plan members)		\$	168,626,896
UAAL as a percentage of covered payroll			498.08%

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

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits

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includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

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

Actuarial Value of Plan Assets -The actuarial value of assets is at market value.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 5%.

Postemployment Benefit Plan Eligibility Requirements - Based on past experience, it has been assumed that entitlement to benefits will commence four years after the earliest eligibility to receive unreduced benefits as described above under "Plan Description". The four year delay is to accommodate the period of participation in the D.R.O.P. plus, on average, one additional year. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) - Since this plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the investment return assumption is determined in accordance with paragraph 36 of GASB 75. For purposes of this initial GASB 74/75 valuation, since we have assumed that the OPEB plan's fiduciary net position is projected (in conformity with paragraphs 37-39 of GASB 75) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 30-35), the expected long-term rate of return on plan investments equal to 5% has been used. *It is important to note, however that upon full implementation of GASB 75 in the next fiscal year, in order to continue to use the long-term rate of return on assets as the discount rate it will be necessary to make substantial additional employer contributions over and above the employer paid retiree premiums.*

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is the actuary's opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays between 70% and 80% of the

Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

retiree premium depending on the applicable plan and class. The medical rates provided which are applicable prior to age 65 are "blended" rates between active and retired, however. Since GASB 75 mandates that "unblended" rates be used, we have estimated the "unblended" rates for retired before Medicare eligibility to be 130% of the blended rates.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - For purposes of determining the actuarial OPEB costs and liabilities in this valuation, an annual salary increase of 4% has been used

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

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

	2017	2016	2015
OPEB Cost	\$ 57,607,951	\$ 63,499,762	\$ 72,166,955
Contribution	240,649	92,367	96,774
Retiree premium	37,804,248	36,967,904	25,650,893
Total contribution and premium	<u>38,044,897</u>	<u>37,060,271</u>	<u>25,747,667</u>
Change in net OPEB obligation	\$ <u>19,563,054</u>	\$ <u>26,439,491</u>	\$ <u>46,419,288</u>
% of contribution to cost	.42%	0.15%	.13%
% of contribution plus premium to cost	66.04%	58.36%	35.68%

Plan Disclosures under GASB Statement No. 74

Plan Description

Plan Administration - Caddo Parish School Board's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), the Louisiana State Employees' Retirement System (LASERS) and the Louisiana School Employees' Retirement System (LSERS). All three systems have similar retirement (D.R.O.P. entry) eligibility provisions. Accordingly, we have assumed the following eligibility for retirement (D.R.O.P. entry): 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 10 years of service. In addition, employees hired on and after January 1, 2011 may not retire prior to age 60 without actuarial reduction in benefits. The plan does not issue a publicly available financial report.

Plan Membership - At June 30, 2017, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	4,116
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>3,715</u>
	<u>7,831</u>

Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

Benefits Provided – The plan provides lifetime healthcare and life insurance for eligible retirees through the School Board’s group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law R.S. 13:5554(G).

Life insurance coverage is continued to retirees by election and the rate is a blended rate for active and retirees. Since GASB 74 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, in which case, a zero trend was used. Insurance coverage amounts are reduced at to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Contributions - The School Board pays 70% - 80% of the medical and 25% of life coverage for the retirees only (not dependents). In the fiscal year ending June 30, 2017, the School Board’s portion of health care funding and life insurance cost for retired employees totaled \$38,044,897. This amount was applied toward the Net OPEB Benefit Obligation as shown in the table below on this page.

Investments

Investment policy – The Caddo Parish School Board Retiree Benefits Funding Trust’s policy regarding the allocation of invested assets is established and may be amended by the investment advisory board. It is the policy of the investment advisory board to invest trust funds in accordance with the provisions of Louisiana Revised Statutes 33:5162.

Concentrations – All plan assets are held in an investment account managed by Reliant Investment Management, LLC and are protected by insurance.

Rate of Return – For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 1.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the School Board

The components of the net OPEB liability of the School Board at June 30, 2017, were as follows:

Total OPEB liability	\$	859,608,074
Plan fiduciary net position		19,708,863
School Board’s net OPEB liability	\$	839,899,211
Plan fiduciary net position as a percentage of the total OPEB liability		2.29%

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%
Investment rate of return	5.0%
Healthcare cost trend rates	Graded from 8% down to 5% ultimate over ten years

Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

Mortality rates were based on the 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2010 to June 30, 2017 in addition to the Plan assumptions.

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

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.0%
Corporate Bonds	5.0%
Agency Bonds	1.5%
Cash	0.0%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.0%. The projection of cash flows used to determine the discount rate assumed that School Board contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate – The following represents the net OPEB liability of the School Board, as well as what the School Board’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0%) or 1-percentage-point higher (6.0%) than the current discount rate:

	1.0% Decrease (4.0%)	Current Discount Rate (5.0%)	1.0% Increase (6.0%)
Net OPEB liability	\$ 945,937,335	\$ 839,899,211	\$ 708,770,275

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following represents the net OPEB liability of the School Board, as well as what the School Board’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 4.0%) or 1-percentage-point higher (9.0% decreasing to 6.0%) than the current healthcare trend rates:

	1.0% Decrease (7.0% decreasing to 4.0%)	Current Discount Rate (8.0% decreasing to 5.0%)	1.0% Increase (9.0% decreasing to 6.0%)
Net OPEB liability	\$ 708,067,743	\$ 839,899,211	\$ 945,635,136

Caddo Parish School Board
Notes to the Basic Financial Statements
June 30, 2017

NOTE 18 - FUND BALANCE CLASSIFICATIONS

	<u>General</u>	<u>Permanent Fund - CEEF</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non spendable:				
Inventory	\$ 969,185	\$ -	\$ 277,810	\$ 1,246,995
Other	505,000	-	-	505,000
Caddo Educational Excellence Fund	-	21,501,964	-	21,501,964
Restricted for:				
School renovations and repairs	-	-	8,867,237	8,867,237
Instructional expenditures from CEEF	-	-	275,387	275,387
Child Nutrition Program	-	-	4,171,330	4,171,330
Debt service	-	-	9,971,469	9,971,469
Committed to:				
Unemployment compensation	741,544	-	-	741,544
Self funded workers' compensation	250,000	-	-	250,000
Insurance	4,000,000	-	-	4,000,000
Data processing	1,580,692	-	-	1,580,692
Technology enhancement	14,650,000	-	-	14,650,000
Outstanding legal claims	402,940	-	-	402,940
Educational Excellence Programs	-	-	167,407	167,407
Unassigned	13,443,077	-	-	13,443,077
Total	<u>\$ 36,542,438</u>	<u>\$ 21,501,964</u>	<u>\$ 23,730,640</u>	<u>\$ 81,775,042</u>

NOTE 19 – RESTATEMENT OF NET POSITION

A correction was made to the accounts payable balance in the Proprietary Fund - Internal Service. The correction was necessary because of previous medical claim adjustments. Due to the significance of the amount and the fact that it related to prior periods, the correction was reflected in the Government Wide Financial Statements beginning net position and the Internal Service Fund's beginning net position.

The correction to the Government-Wide Financial Statements had the following impact on the beginning net position (deficit) at June 30, 2017:

Ending net position (deficit) of governmental activities, June 30, 2016	\$ (992,930,098)
Correction to Internal Service Fund accounts payable	<u>2,301,725</u>
Beginning net position (deficit) of governmental activities, July 1, 2016, restated	<u>\$ (990,628,373)</u>

The correction to the Propriety Fund - Internal Service had the following impact on the beginning net position (deficit) at June 30, 2017:

Ending net position (deficit), June 30, 2016	\$ (194,157,207)
Correction to Internal Service Fund accounts payable	<u>2,301,725</u>
Beginning net position (deficit), July 1, 2016, restated	<u>\$ (191,855,482)</u>

**REQUIRED SUPPLEMENTAL
INFORMATION**

**Caddo Parish School Board
Shreveport, Louisiana**

**Schedule of Funding Progress for Other Post-Employment Benefit Plan
June 30, 2017**

<u>Fiscal Year</u>	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)	
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>	
2008	7/1/2007	\$ -	\$ 1,084,063,364	\$ 1,084,063,364	0%	\$262,883,539	412.37%
2009	7/1/2007	-	1,084,063,364	1,084,063,364	0%	273,586,280	396.24%
2010	7/1/2009	-	1,034,939,049	1,034,939,049	0%	258,977,649	399.62%
2011	7/1/2009	-	1,034,939,049	1,034,939,049	0%	270,439,595	382.69%
2012	7/1/2011	11,903,000	1,195,528,516	1,183,625,516	1.00%	261,165,556	453.21%
2013	7/1/2011	16,422,689	1,195,528,516	1,179,105,827	1.37%	237,716,457	496.01%
2014	7/1/2013	16,798,232	913,035,096	896,236,864	1.84%	245,129,573	365.62%
2015	7/1/2013	18,647,913	949,556,500	930,908,587	1.96%	245,055,413	379.88%
2016	7/1/2015	19,119,907	850,159,798	831,039,891	2.25%	239,396,482	347.14%
2017	7/1/2016	19,708,863	859,608,074	839,899,211	2.29%	168,626,896	498.08%

**Caddo Parish School Board
Shreveport, Louisiana**

**Schedule of Employer Contributions for Other Post-Employment Benefit Plan
June 30, 2017**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 112,862,019	12.74%
2009	113,256,398	13.74%
2010	96,273,184	18.72%
2011	96,273,184	19.38%
2012	114,163,067	28.68%
2013	114,163,067	24.16%
2014	79,050,693	45.89%
2015	82,212,720	31.32%
2016	72,678,660	50.99%
2017	67,184,801	56.63%

**Caddo Parish School Board
Shreveport, Louisiana**

**Schedule of Employer's Proportionate Share
of Net Pension Liability
For the Year Ended June 30, 2017**

<u>Fiscal Year*</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered-employee payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Teachers' Retirement System of Louisiana					
2016	4.411150%	\$ 517,735,625	\$ 195,670,932	265%	59.9%
2015	4.617476%	\$ 496,483,824	\$ 202,185,085	246%	62.5%
2014	4.662480%	\$ 476,571,812	\$ 201,598,762	236%	63.7%
Louisiana School Employees' Retirement System					
2016	6.475813%	\$ 48,850,117	\$ 18,408,266	265%	70.1%
2015	7.146534%	\$ 45,318,102	\$ 19,990,082	227%	74.5%
2014	7.275800%	\$ 42,177,012	\$ 20,324,933	208%	76.2%
Louisiana State Employees' Retirement System					
2016	0.338500%	\$ 2,658,324	\$ 530,917	501%	57.7%
2015	0.036065%	\$ 2,452,964	\$ 761,779	322%	62.7%
2014	0.043050%	\$ 2,691,995	\$ 761,847	353%	65.0%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

**Caddo Parish School Board
Shreveport, Louisiana**

**Schedule of Employer Contributions
to the Plans
For the Year Ended June 30, 2017**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Teachers' Retirement System of Louisiana					
2017	\$ 48,680,651	\$ 48,680,651	\$ -	\$ 190,648,312	25.5%
2016	\$ 51,251,294	\$ 51,251,294	\$ -	\$ 195,670,932	26.2%
2015	\$ 56,401,853	\$ 56,401,853	\$ -	\$ 202,185,085	27.9%
2014	\$ 54,647,761	\$ 54,647,761	\$ -	\$ 201,598,762	27.1%
Louisiana School Employees' Retirement System					
2017	\$ 4,833,583	\$ 4,833,583	\$ -	\$ 17,704,936	27.3%
2016	\$ 5,549,918	\$ 5,549,918	\$ -	\$ 18,408,266	30.1%
2015	\$ 6,655,160	\$ 6,655,160	\$ -	\$ 19,990,082	33.3%
2014	\$ 6,547,560	\$ 6,547,560	\$ -	\$ 20,324,933	32.2%
Louisiana State Employees' Retirement System					
2017	\$ 212,130	\$ 212,130	\$ -	\$ 516,020	41.1%
2016	\$ 231,131	\$ 231,131	\$ -	\$ 530,917	43.5%
2015	\$ 282,576	\$ 282,576	\$ -	\$ 761,779	37.1%
2014	\$ 249,668	\$ 249,668	\$ -	\$ 761,847	32.8%

* Amounts presented were determined as of the end of the fiscal year.

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

Budgetary Comparison Schedule

Funds With a Legally Adopted Annual Budget

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

GENERAL FUND
Budgetary Comparison Schedule
For the Year ended June 30, 2017

Exhibit 1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS (Budgetary Basis)	WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 18,638,113	\$ 20,894,945	\$ 43,105,354	\$ 22,210,409
Resources (inflows)				
Local sources				
Taxes				
Ad valorem	102,604,783	98,969,783	100,246,470	1,276,687
Sales and use	76,000,000	74,000,000	72,891,833	(1,108,167)
Interest earnings	75,000	75,000	354,664	279,664
Other	5,593,750	5,593,750	5,794,038	200,288
State sources				
Equalization	207,448,100	207,448,100	205,192,796	(2,255,304)
Other	1,915,700	1,915,700	1,775,975	(139,725)
Federal sources	4,000,000	4,000,000	1,095,152	(2,904,848)
Other financing sources	-	-	754,966	754,966
Sale of capital assets	40,000	40,000	33,058	(6,942)
Amounts available for appropriations	<u>416,315,446</u>	<u>412,937,278</u>	<u>431,244,306</u>	<u>18,307,028</u>
Charges to appropriations (outflows)				
Current				
Instruction				
Regular programs	161,375,894	158,740,894	146,860,062	11,880,832
Special programs	67,524,914	67,524,914	54,600,859	12,924,055
Other instructional programs	10,559,385	10,559,385	20,442,677	(9,883,292)
Support services				
Student services	18,473,036	18,473,036	24,644,957	(6,171,921)
Instructional staff support	15,298,591	15,298,591	16,709,280	(1,410,689)
General administration	6,347,886	6,347,886	4,208,391	2,139,495
School administration	24,599,772	24,599,772	28,958,164	(4,358,392)
Business services	4,099,569	4,099,569	3,858,016	241,553
Plant services	44,579,107	44,579,107	46,616,367	(2,037,260)
Student transportation services	22,617,652	22,617,652	21,954,352	663,300
Central services	6,659,730	6,659,730	7,059,487	(399,757)
Capital outlay	-	-	754,966	(754,966)
Debt service				
Principal retirement	-	-	535,509	(535,509)
Other uses of funds (transfer out)	15,500,000	15,500,000	17,498,781	(1,998,781)
Total charges to appropriations	<u>397,635,536</u>	<u>395,000,536</u>	<u>394,701,868</u>	<u>298,668</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 18,679,910</u>	<u>\$ 17,936,742</u>	<u>\$ 36,542,438</u>	<u>\$ 18,605,696</u>

See notes to budgetary comparison schedules.

Caddo Parish School Board

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

NOTE A – PENSION PLANS

Change of Benefit Terms

Teachers' Retirement System of Louisiana - There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2017.

Louisiana State Employees' Retirement System - There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2017.

Louisiana School Employees' Retirement System - There were no changes of benefit terms for the actuarial valuation for the year ended June 30, 2017.

Change of Assumptions

Teachers' Retirement System of Louisiana - There were no changes of assumptions for the actuarial valuation for the year ended June 30, 2017.

Louisiana State Employees' Retirement System - There were no changes of assumptions for the actuarial valuation for the year ended June 30, 2017.

Louisiana School Employees' Retirement System – For the actuarial valuation for the year ended June 30, 2016, the discount rate was increased from 7.0% to 7.125%. Inflation rate was decreased from 2.75% to 2.625% and salary increases were decreased from a range of 3.2% to 5.5% to 3.075% to 5.375%.

NOTE B - BUDGETS

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds. Each year prior to September 15, the Superintendent submits to the School Board members the proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the School Board's approval, to obtain citizens' comments. The operating budgets include proposed expenditures and the means of financing them. Appropriations (unexpended budget balances) lapse at year-end.

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

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 School Board members. 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. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The effects of budget revisions to the general fund passed during the year were insignificant.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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

NOTE B - BUDGETS (continued)

Budget to GAAP Reconciliation Explanations of differences between budgetary inflows and outflows and GAAP revenues and expenditures are as follows:

	<u>General Fund</u>
<i>Sources/inflows of resources:</i>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 431,244,306
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(43,105,354)
State equalization revenue received and transferred to charter schools but is not a current year revenue for financial reporting purposes	(17,498,781)
The financed amount for the capital lease is a budgetary resource but is not a current year revenue for financial reporting purposes	(754,966)
The sale of capital assets is a budgetary resource but is not a current year revenue for financial reporting purposes	(33,058)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 369,852,147</u>
<i>Charges to appropriations:</i>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 394,701,868
State equalization revenue received and transferred to charter schools but is not a current year expense for financial reporting purposes	<u>(17,498,781)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 377,203,087</u>

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SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS BY FUND TYPE

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2017

Exhibit 2

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Parishwide Capital Projects</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 9,187,345	\$ 9,901,224	\$ 12,569,314	\$ 31,657,883
Receivables	10,094,844	70,245	165,496	10,330,585
Inventory	92,962	-	184,848	277,810
Other assets	-	-	848	848
Total assets	<u>\$ 19,375,151</u>	<u>\$ 9,971,469</u>	<u>\$ 12,920,506</u>	<u>\$ 42,267,126</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,293,329	\$ -	\$ 3,848,319	\$ 5,141,648
Salaries and wages payable	6,066,401	-	20,102	6,086,503
Interfund payable	7,308,335	-	-	7,308,335
Total liabilities	<u>14,668,065</u>	<u>-</u>	<u>3,868,421</u>	<u>18,536,486</u>
Fund Balances				
Nonspendable	92,962	-	184,848	277,810
Restricted	4,446,717	9,971,469	8,867,237	23,285,423
Committed	167,407	-	-	167,407
Total fund balances	<u>4,707,086</u>	<u>9,971,469</u>	<u>9,052,085</u>	<u>23,730,640</u>
Total liabilities and fund balances	<u>\$ 19,375,151</u>	<u>\$ 9,971,469</u>	<u>\$ 12,920,506</u>	<u>\$ 42,267,126</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type
For the Year ended June 30, 2017

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	PARISHWIDE CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources				
Taxes				
Ad valorem	\$ -	\$ 8,658,568	\$ 20,407,360	\$ 29,065,928
Interest earnings	6,535	448	21,546	28,529
Food services	307,153	-	-	307,153
Other	-	-	30,401	30,401
State sources				
Equalization	2,250,000	-	-	2,250,000
Other	1,930,751	-	293,463	2,224,214
Federal sources	52,661,452	-	-	52,661,452
	<u>57,155,891</u>	<u>8,659,016</u>	<u>20,752,770</u>	<u>86,567,677</u>
EXPENDITURES				
Current				
Instruction				
Regular programs	1,119,420	-	-	1,119,420
Special programs	2,960,013	-	-	2,960,013
Other instructional programs	14,556,038	-	-	14,556,038
Support services				
Student services	4,753,236	-	-	4,753,236
Instructional staff support	9,915,023	-	-	9,915,023
General administration	2,925,534	263,751	-	3,189,285
Business services	152,043	10,336	22,491	184,870
Plant services	26,745	-	-	26,745
Student transportation services	305,125	-	-	305,125
Central services	246,370	-	-	246,370
Food services	17,649,081	-	-	17,649,081
Community service programs	690,196	-	-	690,196
Capital outlay	8,700	-	21,150,010	21,158,710
Debt service				
Principal retirement	-	6,620,000	1,829,059	8,449,059
Interest and bank charges	-	2,958,166	-	2,958,166
	<u>55,307,524</u>	<u>9,852,253</u>	<u>23,001,560</u>	<u>88,161,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,848,367</u>	<u>(1,193,237)</u>	<u>(2,248,790)</u>	<u>(1,593,660)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,330	-	-	16,330
Sale of capital assets	62	-	-	62
	<u>16,392</u>	<u>-</u>	<u>-</u>	<u>16,392</u>
Net change in fund balances	1,864,759	(1,193,237)	(2,248,790)	(1,577,268)
FUND BALANCES - BEGINNING	<u>2,842,327</u>	<u>11,164,706</u>	<u>11,300,875</u>	<u>25,307,908</u>
FUND BALANCES - ENDING	<u>\$ 4,707,086</u>	<u>\$ 9,971,469</u>	<u>\$ 9,052,085</u>	<u>\$ 23,730,640</u>

Nonmajor Special Revenue Funds

Special Education

State Grants To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

Preschool Grants To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

Title II To improve the skills of teachers and the quality of instruction in mathematics and science. To increase the accessibility of such instruction to all students.

Title III To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging state academic content and student academic achievement standards as all children and youth are expected to meet.

Safe and Drug Free To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

TANF/JAG Provides assistance and work opportunities to needy families by granting states the federal funds and wide flexibility to develop and implement their own welfare programs.

Tobacco Settlement This fund was established to account for monies received from the state Education Excellence Fund. The funds are to be expended in accordance with the School Board's plan submitted and approved by the State Department of Education.

8(g) State Fund The 8g state fund is a program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

Mathematics and Science To improve the academic achievement of students by enhancing content knowledge and teaching skills of classroom math and science teachers.

Adult Education To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship. Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

Vocational Education To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

Title I To improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

Homeless This fund is designed to ensure that homeless children and youth have access to a free, appropriate public education.

Nonmajor Special Revenue Funds

Child Nutrition Program 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.

Behavioral Health To provide mental health services to children with a serious emotional disturbance.

CEEF Operating This fund was established to account for the expenditures of the earnings from the Caddo Educational Excellence Permanent Fund.

Misc. State/Federal Grants This fund is used to account for various small state and federal grants for which the expenditures are legally restricted to specified purposes.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2017

	SPECIAL EDUCATION	TITLE II	TITLE III	SAFE AND DRUG-FREE	TANF/JAG	TOBACCO SETTLEMENT	8(g) STATE FUND	MATHEMATICS & SCIENCE
ASSETS								
Cash and cash equivalents	\$ 456,435	\$ 701,083	\$ 5,850	\$ 33,966	\$ 305,938	\$ 291,672	\$ 38,691	\$ -
Receivables	3,004,764	1,060,676	2,117	145,415	408,498	-	90,159	1,550
Inventory	-	-	-	-	-	-	-	-
Total assets	\$ 3,461,199	\$ 1,761,759	\$ 7,967	\$ 179,381	\$ 714,436	\$ 291,672	\$ 128,850	\$ 1,550
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 298,381	\$ 321,430	\$ 134	\$ 12,487	\$ -	\$ -	\$ -	\$ 115
Salaries and wages payable	1,125,983	299,129	908	73,590	208,016	124,265	46,793	0
Interfund payables	2,036,835	1,141,200	6,925	93,304	506,420	-	82,057	1,435
Total liabilities	3,461,199	1,761,759	7,967	179,381	714,436	124,265	128,850	1,550
Fund balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	167,407	-	-
Total fund balances	-	-	-	-	-	167,407	-	-
Total liabilities and fund balances	\$ 3,461,199	\$ 1,761,759	\$ 7,967	\$ 179,381	\$ 714,436	\$ 291,672	\$ 128,850	\$ 1,550

Exhibit 4

ADULT EDUCATION	VOCATIONAL EDUCATION	TITLE I	HOMELESS	CHILD NUTRITION PROGRAM	BEHAVIORAL HEALTH	CEEF OPERATING	MISC STATE/FEDERAL GRANTS	TOTAL
\$ 38,806	\$ 24,176	\$ 788,069	\$ -	\$ 5,977,002	\$ 171,903	\$ 275,387	\$ 78,367	\$ 9,187,345
78,797	102,732	4,924,256	28,033	36,529	-	-	211,318	10,094,844
-	-	-	-	92,962	-	-	-	92,962.00
<u>\$ 117,603</u>	<u>\$ 126,908</u>	<u>\$ 5,712,325</u>	<u>\$ 28,033</u>	<u>\$ 6,106,493</u>	<u>\$ 171,903</u>	<u>\$ 275,387</u>	<u>\$ 289,685</u>	<u>\$ 19,375,151</u>
\$ 1	\$ 67	\$ 424,457	\$ 2,407	\$ 62,642	\$ 170,054	\$ -	\$ 1,154	\$ 1,293,329
44,723	28,430	2,182,635	5,667	1,779,559	1,849	-	144,854	6,066,401
72,879	98,411	3,105,233	19,959	-	-	-	143,677	7,308,335
<u>117,603</u>	<u>126,908</u>	<u>5,712,325</u>	<u>28,033</u>	<u>1,842,201</u>	<u>171,903</u>	<u>-</u>	<u>289,685</u>	<u>14,668,065</u>
-	-	-	-	92,962	-	-	-	92,962.00
-	-	-	-	4,171,330	-	275,387	-	4,446,717.00
-	-	-	-	-	-	-	-	167,407.00
-	-	-	-	4,264,292	-	275,387	-	4,707,086.00
<u>\$ 117,603</u>	<u>\$ 126,908</u>	<u>\$ 5,712,325</u>	<u>\$ 28,033</u>	<u>\$ 6,106,493</u>	<u>\$ 171,903</u>	<u>\$ 275,387</u>	<u>\$ 289,685</u>	<u>\$ 19,375,151</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year ended June 30, 2017

	SPECIAL EDUCATION	TITLE II	TITLE III	SAFE AND DRUG- FREE	TANF/JAG	TOBACCO SETTLEMENT	8(g) STATE FUND	MATHEMATICS & SCIENCE
REVENUES								
Local sources								
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food services	-	-	-	-	-	-	-	-
State sources								
Equalization	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	638,719	448,375	-
Federal sources	9,493,800	3,890,107	57,388	572,493	959,505	-	-	61,770
Total revenues	9,493,800	3,890,107	57,388	572,493	959,505	638,719	448,375	61,770
EXPENDITURES								
Current								
Instruction								
Regular programs	-	1,000,206	-	-	92,186	-	17,887	5,175
Special programs	2,029,689	-	-	-	40,876	-	-	-
Other instructional programs	166,421	-	51,657	127	748,089	547,001	385,648	-
Support services								
Student services	3,636,840	-	-	496,754	-	-	-	-
Instructional staff support	2,572,607	2,577,108	4,494	25,738	-	80,972	44,840	47,470
General administration	804,090	312,793	1,237	49,874	78,354	-	-	9,125
Business administration	61,289	-	-	-	-	-	-	-
Plant services	26,155	-	-	-	-	-	-	-
Student transportation services	76,039	-	-	-	-	-	-	-
Central services	120,670	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	9,493,800	3,890,107	57,388	572,493	959,505	627,973	448,375	61,770
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	10,746	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	10,746	-	-
FUND BALANCES - BEGINNING	-	-	-	-	-	156,661	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,407	\$ -	\$ -

ADULT EDUCATION	VOCATIONAL EDUCATION	TITLE I	HOMELESS	CHILD NUTRITION PROGRAM	BEHAVIORAL HEALTH	CEEF OPERATING	MISC STATE/FEDERAL GRANTS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 6,535	\$ -	\$ -	\$ -	\$ 6,535
-	-	-	-	307,153	-	-	-	\$ 307,153
-	-	-	-	2,250,000	-	-	-	\$ 2,250,000
90,559	-	-	-	-	-	-	753,098	\$ 1,930,751
150,500	508,815	19,512,856	161,293	16,944,309	92,130	-	256,486	\$ 52,661,452
241,059	508,815	19,512,856	161,293	19,507,997	92,130	-	1,009,584	\$ 57,155,891
-	-	-	-	-	-	3,966	-	1,119,420
-	-	-	-	-	-	-	889,448	2,960,013
241,059	479,411	11,834,758	101,867	-	-	-	-	14,556,038
-	-	558,230	-	-	61,412	-	-	4,753,236
-	29,404	4,385,641	-	-	29,188	-	117,561	9,915,023
-	-	1,653,636	13,850	-	-	-	2,575	2,925,534
-	-	82,125	-	8,629	-	-	-	152,043
-	-	-	-	-	590	-	-	26,745
-	-	225,892	2,254	-	940	-	-	305,125
-	-	125,700	-	-	-	-	-	246,370
-	-	-	-	17,649,081	-	-	-	17,649,081
-	-	646,874	43,322	-	-	-	-	690,196
-	-	-	-	8,700	-	-	-	8,700
241,059	508,815	19,512,856	161,293	17,666,410	92,130	3,966	1,009,584	55,307,524
-	-	-	-	1,841,587	-	(3,966)	-	1,848,367
-	-	-	-	-	-	16,330	-	16,330
-	-	-	-	62	-	-	-	62
-	-	-	-	62	-	16,330	-	16,392
-	-	-	-	1,841,649	-	12,364	-	1,864,759
-	-	-	-	2,422,643	-	263,023	-	2,842,327
\$ -	\$ -	\$ -	\$ -	\$ 4,264,292	\$ -	\$ 275,387	\$ -	4,707,086

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-1

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****SPECIAL EDUCATION*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 9,588,940	\$ 9,493,800	(\$ 95,140)
Total revenues	9,588,940	9,493,800	(95,140)
EXPENDITURES			
Current			
Instruction			
Special programs	1,868,799	2,029,689	(160,890)
Other instructional programs	127,750	166,421	(38,671)
Support services			
Student services	4,252,544	3,636,840	615,704
Instructional staff support	2,266,278	2,572,607	(306,329)
General administration	814,722	804,090	10,632
Business services	65,163	61,289	3,874
Plant services	18,000	26,155	(8,155)
Student transportation services	40,000	76,039	(36,039)
Central services	135,684	120,670	15,014
Total expenditures	9,588,940	9,493,800	95,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-2

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****TITLE II*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 5,882,246	\$ 3,890,107	(\$ 1,992,139)
Total revenues	5,882,246	3,890,107	(1,992,139)
EXPENDITURES			
Current			
Instruction			
Regular programs	3,208,034	1,000,206	2,207,828
Support services			
Instructional staff support	2,171,106	2,577,108	(406,002)
General administration	503,106	312,793	190,313
Total expenditures	5,882,246	3,890,107	1,992,139
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-3

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****TITLE III*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 135,505	\$ 57,388	(\$ 78,117)
Total revenues	135,505	57,388	(78,117)
EXPENDITURES			
Current			
Instruction			
Other instructional programs	106,301	51,657	54,644
Support services			
Instructional staff support	26,547	4,494	22,053
General administration	2,657	1,237	1,420
Total expenditures	135,505	57,388	78,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-4

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****SAFE AND DRUG-FREE*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 783,338	\$ 572,493	(\$ 210,845)
Total revenues	783,338	572,493	(210,845)
EXPENDITURES			
Current			
Instruction	-	127	(127)
Support services			
Student services	646,719	496,754	149,965
Instructional staff support	69,624	25,738	43,886
General administration	66,995	49,874	17,121
Total expenditures	783,338	572,493	210,845
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-5

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****TANF/JAG*****		VARIANCE POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
REVENUES			
Federal sources	\$ 798,700	\$ 959,505	\$ 160,805
Total revenues	798,700	959,505	160,805
EXPENDITURES			
Current			
Instruction			
Regular programs	43,000	92,186	(49,186)
Special programs	-	40,876	(40,876)
Other instructional programs	735,700	748,089	(12,389)
Support services			
General administration	20,000	78,354	(58,354)
Total expenditures	798,700	959,505	(160,805)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-6

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****TOBACCO SETTLEMENT*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources	\$ 842,977	\$ 638,719	(\$ 204,258)
Total revenues	842,977	638,719	(204,258)
EXPENDITURES			
Current			
Instruction			
Other instructional programs	765,260	547,001	218,259
Support services			
Instructional staff support	77,717	80,972	(3,255)
Total expenditures	842,977	627,973	215,004
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	10,746	10,746
FUND BALANCE AT BEGINNING OF YEAR	-	156,661	156,661
FUND BALANCE AT END OF YEAR	\$ -	\$ 167,407	\$ 167,407

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-7

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****8(g) STATE FUND*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources	\$ 463,432	\$ 448,375	(\$ 15,057)
Total revenues	463,432	448,375	(15,057)
EXPENDITURES			
Current			
Instruction			
Regular programs	-	17,887	(17,887)
Other instructional programs	419,932	385,648	34,284
Support services			
Instructional staff support	43,500	44,840	(1,340)
Total expenditures	463,432	448,375	15,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-8

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
*****MATHEMATICS & SCIENCE*****			
REVENUES			
Federal sources	\$ 87,515	\$ 61,770	(\$ 25,745)
Total revenues	<u>87,515</u>	<u>61,770</u>	<u>(25,745)</u>
EXPENDITURES			
Current			
Instruction			
Regular programs	7,163	5,175	1,988
Support services			
Instructional staff support	73,870	47,470	26,400
General administration	6,482	9,125	(2,643)
Total expenditures	<u>87,515</u>	<u>61,770</u>	<u>25,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-9

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****ADULT EDUCATION*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources	\$ 86,334	\$ 90,559	\$ 4,225
Federal sources	128,285	150,500	22,215
Total revenues	214,619	241,059	26,440
EXPENDITURES			
Current			
Instruction			
Other instructional programs	214,619	241,059	(26,440)
Total expenditures	214,619	241,059	(26,440)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-10

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****VOCATIONAL EDUCATION*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 497,250	\$ 508,815	\$ 11,565
Total revenues	497,250	508,815	11,565
EXPENDITURES			
Current			
Instruction			
Other instructional programs	486,611	479,411	7,200
Support services			
Instructional staff support	10,639	29,404	(18,765)
Total expenditures	497,250	508,815	(11,565)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-11

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****TITLE I*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 17,530,554	\$ 19,512,856	\$ 1,982,302
Total revenues	17,530,554	19,512,856	1,982,302
EXPENDITURES			
Current			
Instructional			
Other instructional programs	9,959,788	11,834,758	(1,874,970)
Support services			
Student services	487,779	558,230	(70,451)
Instructional staff support	4,506,840	4,385,641	121,199
General administration	1,477,165	1,653,636	(176,471)
Business services	62,227	82,125	(19,898)
Plant services	-	-	-
Student transportation services	241,897	225,892	16,005
Central services	124,812	125,700	(888)
Community service programs	670,046	646,874	23,172
Capital outlay	-	-	-
Total expenditures	17,530,554	19,512,856	(1,982,302)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-12

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****HOMELESS*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 148,231	\$ 161,293	\$ 13,062
Total revenues	148,231	161,293	13,062
EXPENDITURES			
Current			
Instructional			
Other instructional programs	89,205	101,867	(12,662)
Support services			
General administration	12,678	13,850	(1,172)
Student transportation services	4,500	2,254	2,246
Community service programs	41,848	43,322	(1,474)
Total expenditures	148,231	161,293	(13,062)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-13

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****CHILD NUTRITION PROGRAM*****		
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local Sources			
Interest earnings	\$ 105	\$ 6,535	\$ 6,430
Food services	1,454,394	307,153	(1,147,241)
State sources			
Equalization	2,250,000	2,250,000	-
Federal sources	15,650,081	16,944,309	1,294,228
Total revenues	19,354,580	19,507,997	153,417
EXPENDITURES			
Current			
Support services			
Business services	-	8,629	(8,629)
Food services	19,509,619	17,649,081	1,860,538
Capital outlay	-	8,700	(8,700)
Total expenditures	19,509,619	17,666,410	1,843,209
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(155,039)	1,841,587	1,996,626
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	62	62
Total other financing sources (uses)	-	62	62
Net change in fund balance	(155,039)	1,841,649	1,996,688
FUND BALANCE AT BEGINNING OF YEAR	166,922	2,422,643	2,255,721
FUND BALANCE AT END OF YEAR	\$ 11,883	\$ 4,264,292	\$ 4,252,409

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-14

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

*****BEHAVIORAL HEALTH*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Federal sources	\$ 184,260	\$ 92,130	(\$ 92,130)
Total revenues	<u>184,260</u>	<u>92,130</u>	<u>(92,130)</u>
EXPENDITURES			
Current			
Support services			
Student services	142,875	61,412	81,463
Instructional staff support	38,885	29,188	9,697
Student transportation services	500	940	(440)
Plant services	<u>2,000</u>	<u>590</u>	<u>1,410</u>
Total expenditures	<u>184,260</u>	<u>92,130</u>	<u>92,130</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Exhibit 6-15

NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017

	*****CEEF OPERATING*****		
	BUDGET (a)	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES			
Current			
Instruction			
Regular programs	\$ -	\$ 3,966	(\$ 3,966)
Total expenditures	-	3,966	(3,966)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(3,966)	(3,966)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	16,330	16,330
Total other financing sources (uses)	-	16,330	16,330
Net change in fund balance	-	12,364	12,364
FUND BALANCE AT BEGINNING OF YEAR	-	263,023	263,023
FUND BALANCE AT END OF YEAR	\$ -	\$ 275,387	275,387

(a) No budget was adopted for CEEF Operating account for 2016-2017

**CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana**

Exhibit 6-16

**NONMAJOR SPECIAL REVENUE FUNDS
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year ended June 30, 2017**

	*****MISC STATE/FEDERAL GRANTS*****		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
State sources	\$ 961,514	\$ 753,098	(\$ 208,416)
Federal sources	229,472	256,486	27,014
	<hr/>	<hr/>	<hr/>
Total revenues	1,190,986	1,009,584	(181,402)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Instruction			
Special programs	884,930	889,448	(4,518)
Other instructional programs	91,205	-	91,205
Support services			
Student services	2,715	-	2,715
Instructional staff support	175,442	117,561	57,881
General administration	2,338	2,575	(237)
Plant services	4,550	-	4550
Student transportation services	29,806	-	29,806
	<hr/>	<hr/>	<hr/>
Total expenditures	1,190,986	1,009,584	181,402
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	-	-	-
FUND BALANCE AT END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>

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.

CENTRAL OFFICE CONCESSION FUND This fund accounts for those monies collected by School Board employees working in the Central Office Coffee Shop for the purposes of replenishing items sold and maintenance of coffee shop equipment.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Combining Statement of Changes in Assets and Liabilities - Agency Fund
For the Year ended June 30, 2017

Exhibit 7

	BALANCE, JULY 1, 2016	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2017
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 5,296,380	\$ 14,093,478	\$ 13,962,092	\$ 5,427,766
Investments	349,057	173,557	187,104	335,510
Total assets	\$ 5,645,437	\$ 14,267,035	\$ 14,149,196	\$ 5,763,276
LIABILITES				
Deposits due others	\$ 5,645,437	\$ 14,267,035	\$ 14,149,196	\$ 5,763,276
Total liabilities	\$ 5,645,437	\$ 14,267,035	\$ 14,149,196	\$ 5,763,276
*****CENTRAL OFFICE CONCESSION FUND*****				
ASSETS				
Cash and cash equivalents	\$ 2,099	\$ 916	\$ 464	\$ 2,551
Total assets	\$ 2,099	\$ 916	\$ 464	\$ 2,551
LIABILITES				
Deposits due others	\$ 2,099	\$ 916	\$ 464	\$ 2,551
Total liabilities	\$ 2,099	\$ 916	\$ 464	\$ 2,551
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 5,298,479	\$ 14,094,394	\$ 13,962,556	\$ 5,430,317
Investments	349,057	173,557	187,104	335,510
Total assets	\$ 5,647,536	\$ 14,267,951	\$ 14,149,660	\$ 5,765,827
LIABILITES				
Deposits due others	\$ 5,647,536	\$ 14,267,951	\$ 14,149,660	\$ 5,765,827
Total liabilities	\$ 5,647,536	\$ 14,267,951	\$ 14,149,660	\$ 5,765,827

**Caddo Parish School Board
Shreveport, Louisiana**

General

Exhibit 8

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2017**

The schedule of compensation paid to the School Board members is presented 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 and represents the amounts paid for the year ended June 30, 2017, and the office held at that time. 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 vice presidents receive \$850 per month, and the president receives \$900 per month for performing the duties of office. The extra \$50 and \$100 per month for the vice presidents and the president is paid to each only in the event each attends the monthly executive committee meeting.

<u>Board Member</u>	<u>Amount</u>
Denee' Locke, First Vice President, (2016), President (2017)	\$ 10,500
Mary Trammel, President (2016)	10,200
Raymond Green, First Vice President (2017)	9,850
Dottie Bell, Second Vice President (2017)	9,900
Stephen Riall, Second Vice President (2016)	9,900
Margaret Brown	9,600
Bonita Douzart	9,600
Jasmine Green	9,600
Susannah Poljak	9,600
Barry Rachal	9,600
Larry Ramsey	9,600
John Albritton	<u>9,600</u>
Total	<u>\$117,550</u>

**Caddo Parish School Board
Shreveport, Louisiana**

Exhibit 9

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

Agency Head Name: Theodis Lamar Goree, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 231,000
Benefits-insurance (health & life)	15,854
Benefits (retirement)	60,753
Benefits (medicare)	3,244
Vehicle provided by government	618
Conference travel	10,662
Registration fees	1,480

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**CPSB
2017**

Statistical Section

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Caddo Parish School Board
Statistical Section
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.		
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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.		
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Net Assets/Position (Deficit) by Component
Last Ten Fiscal Years Ended June 30
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 81,507,313	\$ 88,274,168	\$ 110,198,416	\$ 115,011,586	\$ 100,856,675	\$ 94,274,181	\$ 84,710,168	\$ 93,169,071	\$ 98,387,765	\$ 107,803,609
Restricted	\$ 62,862,020	\$ 59,614,122	\$ 38,559,316	\$ 49,171,234	\$ 49,302,498	\$ 51,059,711	\$ 49,083,245	\$ 44,027,980	\$ 45,943,529	\$ 44,972,235
Unrestricted	\$ (56,805,865)	\$ (134,718,861)	\$ (215,963,076)	\$ (300,406,542)	\$ (389,955,620)	\$ (493,255,550)	\$ (520,725,760)	\$ (1,145,417,219)	\$ (1,137,261,392)	\$ (1,135,576,948)
Total governmental activities net assets/position (deficit)	\$ 87,563,468	\$ 13,169,429	\$ (67,205,344)	\$ (136,223,722)	\$ (239,796,447)	\$ (347,921,658)	\$ (386,932,347)	\$ (1,008,220,168)	\$ (992,930,098)	\$ (982,801,104)

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Changes in Net Assets/Position (Deficit)
Last Ten Fiscal Years Ended June 30
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Instruction										
Regular programs	\$ 197,651,963 00	\$ 201,307,362 00	\$ 194,847,644 00	\$ 189,714,298 00	\$ 191,493,972 00	\$ 195,084,770 00	\$ 170,095,108 00	\$ 165,881,175 00	\$ 150,032,207 00	\$ 146,081,564 00
Special programs	\$ 75,420,277 00	\$ 77,186,889 00	\$ 76,168,958 00	\$ 72,411,723 00	\$ 69,023,591 00	\$ 67,983,851 00	\$ 71,265,506 00	\$ 59,905,619 00	\$ 55,736,048 00	\$ 55,765,588 00
Other instructional programs	\$ 44,071,203 00	\$ 47,792,946 00	\$ 43,481,613 00	\$ 45,738,576 00	\$ 53,883,308 00	\$ 54,757,387 00	\$ 36,641,599 00	\$ 41,129,622 00	\$ 37,413,663 00	\$ 35,823,478 00
Support services										
Student services	\$ 22,993,286 00	\$ 24,441,138 00	\$ 24,365,917 00	\$ 31,873,003 00	\$ 34,384,569 00	\$ 37,455,077 00	\$ 26,531,030 00	\$ 30,772,696 00	\$ 29,415,998 00	\$ 29,192,321 00
Instructional staff support	\$ 31,965,422 00	\$ 39,893,677 00	\$ 34,427,828 00	\$ 35,410,629 00	\$ 32,454,956 00	\$ 30,971,011 00	\$ 21,073,276 00	\$ 25,787,057 00	\$ 25,413,854 00	\$ 26,267,686 00
General administration	\$ 5,809,071 00	\$ 5,728,748 00	\$ 7,961,856 00	\$ 6,638,373 00	\$ 6,305,210 00	\$ 7,725,052 00	\$ 7,010,667 00	\$ 8,597,474 00	\$ 7,868,948 00	\$ 7,387,942 00
School administration	\$ 31,765,903 00	\$ 32,934,423 00	\$ 31,853,988 00	\$ 36,287,686 00	\$ 34,551,836 00	\$ 36,116,588 00	\$ 29,615,181 00	\$ 32,138,769 00	\$ 28,937,243 00	\$ 28,684,686 00
Business services	\$ 4,714,299 00	\$ 5,447,652 00	\$ 5,244,764 00	\$ 5,336,156 00	\$ 5,547,402 00	\$ 5,572,285 00	\$ 5,219,269 00	\$ 5,328,311 00	\$ 4,034,499 00	\$ 4,011,121 00
Plant services	\$ 56,980,727 00	\$ 61,998,428 00	\$ 67,657,869 00	\$ 63,763,630 00	\$ 88,017,551 00	\$ 76,112,607 00	\$ 71,054,058 00	\$ 69,399,880 00	\$ 63,360,947 00	\$ 65,482,436 00
Student transportation services	\$ 28,550,305 00	\$ 28,396,609 00	\$ 26,848,449 00	\$ 27,188,421 00	\$ 27,581,761 00	\$ 27,140,598 00	\$ 26,037,204 00	\$ 25,873,230 00	\$ 23,239,259 00	\$ 23,680,663 00
Central services	\$ 7,330,006 00	\$ 7,292,576 00	\$ 13,611,374 00	\$ 7,319,077 00	\$ 7,143,732 00	\$ 7,582,203 00	\$ 7,236,964 00	\$ 7,613,820 00	\$ 7,100,426 00	\$ 7,241,921 00
Food services	\$ 26,304,442 00	\$ 26,995,518 00	\$ 25,411,707 00	\$ 25,376,924 00	\$ 25,407,258 00	\$ 25,699,368 00	\$ 17,875,767 00	\$ 20,815,974 00	\$ 19,057,664 00	\$ 17,715,853 00
Community services	\$ 899,358 00	\$ 831,958 00	\$ 793,023 00	\$ 778,521 00	\$ 770,731 00	\$ 733,392 00	\$ 458,380 00	\$ 683,586 00	\$ 693,203 00	\$ 690,196 00
Interest on long-term debt	\$ 5,276,079 00	\$ 5,491,463 00	\$ 5,550,738 00	\$ 4,854,199 00	\$ 5,582,562 00	\$ 4,219,222 00	\$ 4,852,465 00	\$ 4,291,748 00	\$ 2,845,978 00	\$ 2,661,913 00
Total expenses	\$ 539,732,341 00	\$ 565,739,387 00	\$ 558,225,728 00	\$ 552,691,216 00	\$ 582,148,439 00	\$ 577,153,411 00	\$ 494,966,474 00	\$ 498,218,961 00	\$ 455,149,937 00	\$ 450,687,366 00
Program Revenues										
Charges for services										
Plant Services						\$ 306,000 00	\$ -	\$ -	\$ -	\$ -
Student transportation services	\$ 2,470,005 00	\$ 2,613,016 00	\$ 2,695,925 00	\$ 2,416,667 00	\$ 2,253,385 00	\$ 85,065 00	\$ 34,140 00	\$ -	\$ -	\$ -
Food Service Operations						\$ 1,878,669 00	\$ 1,729,075 00	\$ 1,497,111 00	\$ 1,325,303 00	\$ 307,215 00
Operating Grants and Contributions	\$ 61,778,973 00	\$ 74,264,232 00	\$ 75,995,429 00	\$ 69,275,680 00	\$ 65,751,851 00	\$ 59,941,887 00	\$ 51,726,043 00	\$ 54,267,018 00	\$ 52,981,007 00	\$ 55,840,085 00
Total program revenues	\$ 64,248,978 00	\$ 76,877,248 00	\$ 78,691,354 00	\$ 71,692,347 00	\$ 68,005,236 00	\$ 62,211,621 00	\$ 53,489,258 00	\$ 55,764,129 00	\$ 54,306,310 00	\$ 56,147,300 00
Net (Expense) / Revenue	\$ (475,483,363 00)	\$ (488,862,139 00)	\$ (479,534,374 00)	\$ (480,998,869 00)	\$ (514,143,203 00)	\$ (514,941,790 00)	\$ (441,477,216 00)	\$ (442,454,832 00)	\$ (400,843,627 00)	\$ (394,540,066 00)
General Revenues and Other Changes in Net Position (Deficit)										
Taxes										
Ad valorem taxes levied for general purposes	\$ 73,200,374 00	\$ 78,819,288 00	\$ 81,352,511 00	\$ 87,037,097 00	\$ 90,883,910 00	\$ 94,729,927 00	\$ 98,319,454 00	\$ 99,111,363 00	\$ 102,379,444 00	\$ 100,246,470 00
Ad valorem taxes levied for debt service purposes	\$ 8,724,146 00	\$ 10,002,894 00	\$ 10,326,013 00	\$ 10,922,490 00	\$ 11,530,901 00	\$ 9,749,726 00	\$ 9,993,778 00	\$ 10,073,599 00	\$ 8,683,304 00	\$ 8,658,568 00
Ad valorem taxes levied for capital improvements	\$ 14,878,406 00	\$ 16,019,360 00	\$ 16,534,849 00	\$ 17,490,047 00	\$ 18,464,673 00	\$ 19,255,954 00	\$ 20,007,125 00	\$ 20,165,199 00	\$ 20,833,893 00	\$ 20,407,360 00
Sales taxes levied for salaries, benefits and general purposes	\$ 67,222,913 00	\$ 75,686,649 00	\$ 74,861,726 00	\$ 78,271,951 00	\$ 74,472,829 00	\$ 71,286,828 00	\$ 75,136,182 00	\$ 79,272,950 00	\$ 73,777,428 00	\$ 72,891,833 00
Grants and contributions not restricted to specific programs	\$ 208,241,336 00	\$ 222,590,112 00	\$ 208,141,369 00	\$ 210,103,396 00	\$ 207,375,203 00	\$ 204,124,872 00	\$ 202,474,554 00	\$ 204,149,398 00	\$ 199,597,052 00	\$ 191,860,725 00
Interest and investment earnings	\$ 5,571,860 00	\$ 1,269,429 00	\$ 222,629 00	\$ 987,938 00	\$ 695,008 00	\$ 659,239 00	\$ 687,030 00	\$ 779,640 00	\$ 1,338,545 00	\$ 404,569 00
Miscellaneous	\$ 6,471,442 00	\$ 9,171,982 00	\$ 7,720,504 00	\$ 7,167,572 00	\$ 7,147,954 00	\$ 7,010,033 00	\$ 4,778,452 00	\$ 8,077,293 00	\$ 9,524,031 00	\$ 7,897,810 00
Total	\$ 384,310,477 00	\$ 413,559,714 00	\$ 399,159,601 00	\$ 411,980,491 00	\$ 410,570,478 00	\$ 406,816,579 00	\$ 411,396,575 00	\$ 421,629,442 00	\$ 416,133,697 00	\$ 402,367,335 00
Change in Net Assets/Position (Deficit)	\$ (91,172,886 00)	\$ (75,302,425 00)	\$ (80,374,773 00)	\$ (69,018,378 00)	\$ (103,572,725 00)	\$ (108,125,211 00)	\$ (30,080,641 00)	\$ (20,825,390 00)	\$ 15,290,070 00	\$ 7,827,269 00

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

CADD0 PARISH SCHOOL BOARD
Shreveport, Louisiana

Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30,
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,019,050	\$ 1,199,652	\$ 1,610,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	61,456,149	84,055,224	75,012,763	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,043,458	1,048,771	1,491,789	1,417,875	1,418,595	1,420,513	1,474,185
Committed	-	-	-	35,535,348	24,474,022	21,378,512	21,380,811	21,380,811	21,413,782	21,625,176
Unassigned	-	-	-	34,463,139	30,495,621	29,695,614	28,588,365	21,957,451	20,271,059	13,443,077
Total general fund	<u>\$ 62,475,199</u>	<u>\$ 85,254,876</u>	<u>\$ 76,623,678</u>	<u>\$ 71,041,945</u>	<u>\$ 56,018,414</u>	<u>\$ 52,565,915</u>	<u>\$ 51,387,051</u>	<u>\$ 44,756,857</u>	<u>\$ 43,105,354</u>	<u>\$ 36,542,438</u>
All Other Governmental Funds										
Reserved	\$ 41,402,374	\$ 35,285,482	\$ 37,493,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,485,758	5,016,486	5,612,151	-	-	-	-	-	-	-
Capital projects funds	35,074,107	41,604,268	23,352,262	-	-	-	-	-	-	-
Nonspendable	-	-	-	186,547	18,222,213	19,242,741	19,951,962	20,637,476	21,204,249	21,779,774
Restricted	-	-	-	58,923,844	45,451,082	31,816,970	29,131,283	23,549,486	24,854,991	23,285,423
Committed	-	-	-	376,803	182,748	210,927	171,261	276,307	156,661	167,407
Total all other governmental funds	<u>\$ 80,962,239</u>	<u>\$ 81,906,236</u>	<u>\$ 66,458,202</u>	<u>\$ 59,487,194</u>	<u>\$ 63,856,043</u>	<u>\$ 51,270,638</u>	<u>\$ 49,254,506</u>	<u>\$ 44,463,269</u>	<u>\$ 46,215,901</u>	<u>\$ 45,232,604</u>

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

Prior to the implementation of GASB 54, fund balance was reported as reserved and unreserved. Reserved fund balance represented amounts that were not appropriable for expenditures or legally segregated for a specific purpose. Reserves included inventory, encumbrances, permanent fund required to be held in perpetuity, and amounts set aside for specific purposes. GASB 54 has very clear definitions for the classes of fund balance.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30,
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Ad valorem taxes	\$ 96,802,926 00	\$ 104,841,542 00	\$ 108,213,373 00	\$ 115,449,634 00	\$ 120,879,484 00	\$ 123,735,607 00	\$ 128,320,357 00	\$ 129,350,161 00	\$ 131,896,640 00	\$ 129,312,398 00
Sales & use taxes	\$ 67,222,913 00	\$ 75,686,649 00	\$ 74,861,726 00	\$ 78,271,951 00	\$ 74,472,829 00	\$ 71,286,828 00	\$ 75,136,182 00	\$ 79,272,950 00	\$ 73,777,428 00	\$ 72,891,833 00
Investment Earning	\$ 5,571,860 00	\$ 1,269,429 00	\$ 222,629 00	\$ 987,938 00	\$ 695,008 00	\$ 655,882 00	\$ 666,904 00	\$ 564,080 00	\$ 1,338,546 00	\$ 404,568 00
Food services	\$ 2,470,005 00	\$ 2,613,016 00	\$ 2,695,925 00	\$ 2,416,667 00	\$ 2,253,385 00	\$ 1,878,245 00	\$ 1,727,552 00	\$ 1,496,232 00	\$ 1,324,766 00	\$ 307,153 00
Other Revenues	\$ 6,407,089 00	\$ 9,090,505 00	\$ 7,803,755 00	\$ 7,188,817 00	\$ 7,167,205 00	\$ 8,402,102 00	\$ 4,844,635 00	\$ 8,283,047 00	\$ 7,571,524 00	\$ 6,413,365 00
Total revenues from local sources	\$ 178,474,793 00	\$ 193,501,141 00	\$ 193,797,408 00	\$ 204,315,007 00	\$ 205,467,911 00	\$ 205,958,664 00	\$ 210,695,630 00	\$ 218,966,470 00	\$ 215,908,904 00	\$ 209,329,317 00
Revenue from state sources										
Equalization	\$ 205,787,041 00	\$ 220,189,623 00	\$ 205,784,377 00	\$ 198,631,781 00	\$ 204,957,804 00	\$ 201,890,754 00	\$ 200,497,316 00	\$ 202,174,928 00	\$ 197,725,387 00	\$ 189,944,015 00
Other	\$ 10,726,981 00	\$ 15,012,956 00	\$ 7,853,319 00	\$ 5,483,190 00	\$ 3,903,820 00	\$ 4,113,590 00	\$ 3,607,819 00	\$ 4,654,540 00	\$ 3,539,278 00	\$ 4,000,189 00
Total revenue from state sources	\$ 216,514,022 00	\$ 235,202,579 00	\$ 213,637,696 00	\$ 204,114,971 00	\$ 208,861,624 00	\$ 206,004,344 00	\$ 204,105,135 00	\$ 206,829,468 00	\$ 201,264,665 00	\$ 193,944,204 00
Revenue from federal sources	\$ 53,547,738 00	\$ 61,689,953 00	\$ 70,499,102 00	\$ 75,264,105 00	\$ 64,265,430 00	\$ 58,062,415 00	\$ 50,095,464 00	\$ 51,586,949 00	\$ 51,313,397 00	\$ 53,756,603 00
Total Revenues	\$ 448,536,553 00	\$ 490,393,673 00	\$ 477,934,206 00	\$ 483,694,083 00	\$ 478,594,965 00	\$ 470,025,423 00	\$ 464,896,229 00	\$ 477,382,887 00	\$ 468,486,966 00	\$ 457,030,124 00
Expenditures:										
Current										
Instruction services	\$ 245,474,697 00	\$ 257,684,887 00	\$ 263,696,722 00	\$ 257,647,038 00	\$ 263,942,178 00	\$ 253,510,385 00	\$ 247,023,903 00	\$ 254,206,800 00	\$ 247,339,887 00	\$ 240,539,068 00
Student services	\$ 17,874,792 00	\$ 19,185,793 00	\$ 20,411,903 00	\$ 28,353,553 00	\$ 30,536,978 00	\$ 29,390,407 00	\$ 28,465,771 00	\$ 29,692,030 00	\$ 30,192,785 00	\$ 29,398,193 00
Instructional staff support	\$ 24,396,434 00	\$ 31,956,498 00	\$ 28,813,791 00	\$ 30,582,767 00	\$ 27,324,623 00	\$ 24,818,276 00	\$ 21,102,664 00	\$ 25,265,497 00	\$ 25,961,928 00	\$ 26,624,303 00
General administration	\$ 5,430,428 00	\$ 5,489,638 00	\$ 7,728,034 00	\$ 6,360,620 00	\$ 6,027,949 00	\$ 7,035,466 00	\$ 6,636,267 00	\$ 7,872,253 00	\$ 7,435,917 00	\$ 7,397,676 00
School administration	\$ 24,383,949 00	\$ 25,660,793 00	\$ 26,485,130 00	\$ 30,452,553 00	\$ 28,738,116 00	\$ 28,301,020 00	\$ 29,226,210 00	\$ 30,939,741 00	\$ 29,450,947 00	\$ 28,958,164 00
Business services	\$ 3,509,245 00	\$ 4,281,169 00	\$ 4,358,832 00	\$ 4,477,533 00	\$ 4,697,109 00	\$ 4,371,563 00	\$ 4,731,888 00	\$ 5,090,010 00	\$ 4,111,259 00	\$ 4,042,886 00
Plant services	\$ 44,846,858 00	\$ 48,437,911 00	\$ 52,844,938 00	\$ 48,169,634 00	\$ 71,780,724 00	\$ 58,627,378 00	\$ 45,829,571 00	\$ 46,866,125 00	\$ 45,984,767 00	\$ 46,643,112 00
Student transportation services	\$ 22,401,721 00	\$ 22,585,726 00	\$ 22,420,502 00	\$ 22,497,646 00	\$ 23,115,501 00	\$ 22,283,560 00	\$ 23,227,577 00	\$ 23,506,395 00	\$ 22,699,029 00	\$ 22,259,477 00
Food service	\$ 22,189,214 00	\$ 6,034,607 00	\$ 22,783,968 00	\$ 22,683,585 00	\$ 6,281,541 00	\$ 22,109,930 00	\$ 6,788,399 00	\$ 20,740,628 00	\$ 18,952,174 00	\$ 17,649,081 00
Central services	\$ 6,040,726 00	\$ 22,933,201 00	\$ 11,469,967 00	\$ 6,453,622 00	\$ 22,700,704 00	\$ 6,195,089 00	\$ 21,283,975 00	\$ 7,396,056 00	\$ 7,210,296 00	\$ 7,305,857 00
Community services	\$ 678,119 00	\$ 643,556 00	\$ 649,403 00	\$ 643,529 00	\$ 643,612 00	\$ 558,781 00	\$ 631,043 00	\$ 683,586 00	\$ 693,658 00	\$ 690,196 00
Capital Outlay	\$ 22,678,324 00	\$ 29,450,088 00	\$ 28,270,397 00	\$ 25,908,462 00	\$ 10,668,430 00	\$ 15,778,701 00	\$ 20,479,502 00	\$ 24,239,166 00	\$ 17,489,781 00	\$ 21,913,676 00
Debt service										
Principal	\$ 4,249,545 00	\$ 5,022,790 00	\$ 6,725,058 00	\$ 7,010,058 00	\$ 8,576,315 00	\$ 9,109,731 00	\$ 9,217,049 00	\$ 8,955,846 00	\$ 9,230,149 00	\$ 8,984,568 00
Bond issue costs	\$ 68,018 00	\$ 8,796 00	\$ 1,900 00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,762 00	\$ -
Interest	\$ 5,132,807 00	\$ 5,561,932 00	\$ 5,350,561 00	\$ 5,006,224 00	\$ 4,922,867 00	\$ 4,364,529 00	\$ 4,198,670 00	\$ 3,425,243 00	\$ 3,151,302 00	\$ 2,958,166 00
Total Expenditures	\$ 449,354,877 00	\$ 484,937,385 00	\$ 502,011,106 00	\$ 496,246,824 00	\$ 509,956,647 00	\$ 486,454,816 00	\$ 468,842,489 00	\$ 488,879,376 00	\$ 470,067,641 00	\$ 465,364,423 00
Excess of revenues over (under) expenditures	\$ (818,324 00)	\$ 5,456,288 00	\$ (24,076,900 00)	\$ (12,552,741 00)	\$ (31,361,682 00)	\$ (16,429,393 00)	\$ (3,946,260 00)	\$ (11,496,489 00)	\$ (1,580,675 00)	\$ (8,334,299 00)
Other Financing Sources (Uses)										
Proceeds from the sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,489 00	\$ 35,662 00	\$ 10,684 00	\$ 796,336 00	\$ 33,120 00
Proceeds from borrowing	\$ 15,872,450 00	\$ 17,359,000 00	\$ -	\$ -	\$ 20,707,000 00	\$ 15,280,000 00	\$ -	\$ -	\$ -	\$ -
Proceeds from refunding	\$ -	\$ -	\$ 5,365,000 00	\$ -	\$ 9,960,000 00	\$ 1,224,944 00	\$ 15,810,000 00	\$ 14,428,290 00	\$ 8,480,000 00	\$ 9
Payments to escrow agent	\$ -	\$ -	\$ (5,367,332 00)	\$ -	\$ (9,960,000 00)	\$ (16,504,944 00)	\$ (16,336,040 00)	\$ (16,435,195 00)	\$ (9,387,389 00)	\$ -
Premium on bond issuance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,040 00	\$ 2,006,905 00	\$ 1,071,151 00	\$ -
Other financing sources - capital lease agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 715,602 00	\$ 703,883 00	\$ 721,706 00	\$ 754,966 00
Transfers in	\$ 686,336 00	\$ 287,750 00	\$ 18,057 00	\$ 99,994 00	\$ 32,860 00	\$ 27,178 00	\$ 25,931 00	\$ 10,398 00	\$ 6,057 00	\$ 16,330 00
Transfers out	\$ (686,336 00)	\$ (287,750 00)	\$ (18,057 00)	\$ (99,994 00)	\$ (32,860 00)	\$ (27,178 00)	\$ (25,931 00)	\$ (10,398 00)	\$ (6,057 00)	\$ (16,330 00)
Total other financing sources (uses)	\$ 15,872,450 00	\$ 17,359,000 00	\$ (2,332 00)	\$ -	\$ 20,707,000 00	\$ 391,489 00	\$ 751,264 00	\$ 714,567 00	\$ 1,681,804 00	\$ 788,086 00
Net change in fund balances	\$ 15,054,126 00	\$ 22,815,288 00	\$ (24,079,232 00)	\$ (12,552,741 00)	\$ (10,654,682 00)	\$ (16,037,904 00)	\$ (3,194,996 00)	\$ (10,781,922 00)	\$ 101,129 00	\$ (7,546,213 00)
Debt service as a percentage of noncapital expenditures	2.2%	2.3%	2.5%	2.6%	2.7%	2.9%	3.0%	2.7%	2.7%	2.7%

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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

Fiscal Year Ended June 30	Real Property		Less:	Total Taxable	Total	Estimated	Assessed
	Residential Property	Commercial Property	Homestead Exempt Property	Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2008	507,657,470	1,005,803,160	330,722,720	1,182,737,910	82.81	10,946,582,500	13.83%
2009	553,133,750	1,154,352,160	341,601,270	1,365,884,640	78.20	12,330,507,833	13.85%
2010	554,874,570	1,188,009,260	342,555,070	1,400,328,760	78.20	12,526,997,567	13.91%
2011	558,756,760	1,265,504,820	341,146,070	1,483,115,510	78.20	13,002,027,200	14.03%
2012	563,181,690	1,318,574,710	340,067,180	1,541,689,220	78.20	13,319,843,633	14.13%
2013	588,336,400	1,386,600,910	347,726,690	1,627,210,620	75.66	13,983,025,800	14.12%
2014	690,998,311	1,326,073,372	344,674,110	1,672,397,573	75.66	12,975,903,330	15.54%
2015	768,016,123	1,277,604,369	345,228,061	1,700,392,431	75.66	13,914,158,577	14.70%
2016	781,282,278	1,316,526,241	343,400,769	1,754,407,750	74.66	14,326,631,747	14.64%
2017	784,607,385	1,303,348,729	339,924,738	1,748,031,376	73.30	14,824,179,720	14.08%

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Source: Caddo Parish Tax Assessor Agency

Notes:

- (1) Property in the parish is reassessed every four years.
- (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
- (3) Tax rates are per \$1,000 of assessed value.
- (4) Real property calculations were based on information provided by Assessor's office.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total School Millage	Caddo Parish Commission	City of Shreveport	
2008	75.21	7.60	82.81	37.31	46.64	166.76
2009	70.60	7.60	78.20	35.14	44.54	157.88
2010	70.60	7.60	78.20	35.14	44.54	157.88
2011	70.60	7.60	78.20	35.14	44.54	157.88
2012	70.60	7.60	78.20	35.14	44.54	157.88
2013	69.66	6.00	75.66	35.14	39.70	150.50
2014	69.66	6.00	75.66	35.14	39.70	150.50
2015	69.66	6.00	75.66	35.14	39.70	150.50
2016	69.66	5.00	74.66	34.94	36.65	146.25
2017	68.30	5.00	73.30	34.41	36.29	144.00

Source: Caddo Parish Tax Assessor Agency

Notes:

- (1) School district debt service millage is parish wide.
- (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 Caddo Parish. Not all overlapping rates apply to all property owners.

Table 7

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Principal Property Taxpayers
June 30, 2017 and Nine Years Ago

Taxpayer	Fiscal Year 2017			Fiscal Year 2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Swepco/AEP	\$ 89,522,670	1	5.12 %	\$ 64,594,540	1	5.46 %
Chesapeake Operating	33,175,120	2	1.90			
Calumet	22,696,140	3	1.30	12,656,010	6	1.07
Bell South	16,673,510	4	0.95	28,039,210	3	2.05
Universal Oil Products	15,698,520	5	0.90	15,690,630	5	1.33
BHP Billiton Petro	12,768,340	6	0.73			
Union Pacific Railroad Co.	12,054,590	7	0.69			
J-W Operating Company - Louisiana	11,811,610	8	0.68			
Gulf Crossing Pipeline	11,642,490	9	0.67			
Wal-Mart	11,249,203	10	0.64	8,850,210	9	0.54
Capital One				11,842,790	7	0.71
General Motors				29,159,150	2	2.47
Sam's Town				16,894,290	4	1.43
Center Point Energy Gas Transmission				8,781,410	10	0.63
Regions Bank				10,639,860	8	0.90
Totals	<u>\$ 237,292,193</u>		<u>13.57 %</u>	<u>\$ 207,148,100</u>		<u>17.51 %</u>

Source: Caddo Parish Tax Assessor Agency

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for	Collected within the		Collections In Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
June 30	Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2008	97,942,526	95,251,337	97.25%	1,882,813	97,134,150	99.17%
2009	106,812,179	100,737,878	94.31%	215,247	100,953,125	94.51%
2010	109,505,709	106,036,548	96.83%	191,552	106,228,100	97.01%
2011	115,979,633	113,177,522	97.58%	276,489	113,454,011	97.82%
2012	120,560,097	118,446,666	98.25%	229,346	118,676,012	98.44%
2013	123,114,756	121,758,953	98.90%	355,546	122,114,499	99.19%
2014	126,533,857	125,682,875	99.33%	796,571	126,479,446	99.96%
2015	128,651,945	126,238,537	98.12%	173,957	126,412,493	98.26%
2016	130,984,360	129,349,465	98.75%	126,999	129,476,464	98.85%
2017	128,130,971	127,171,467	99.25%	367,912	127,539,379	99.54%

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

N/A - Information is not yet available.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Certificates of Indebtedness	QZAB and QSCB	Capital Lease Payable	Total Debt Outstanding	Percentage of Personal Income	Per Capita
2008	119,370,000	3,600,000	3,491,543	-	126,461,543	1.38%	249
2009	115,430,000	2,930,000	20,437,753	-	138,797,753	1.48%	237
2010	111,200,000	2,235,000	18,867,695	-	132,302,695	1.40%	499
2011	106,480,000	1,515,000	17,297,637	-	125,292,637	1.21%	544
2012	102,350,000	770,000	35,133,322	-	138,253,322	1.40%	515
2013	97,100,000	-	32,103,591	-	129,203,591	1.23%	487
2014	95,309,577	-	28,651,928	565,216	124,526,721	1.11%	542
2015	90,364,365	-	25,989,225	985,304	117,338,894	1.06%	511
2016	84,687,418	-	23,496,561	1,246,615	109,430,594	1.05%	495
2017	77,688,566	-	21,667,501	1,468,613	100,824,680	0.83%	474

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 Demographic and Economic Statistics for personal income and population data.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	\$ 119,370,000	\$ 8,756,216	\$ 110,613,784	1.01%	438
2009	115,430,000	9,269,356	106,160,644	0.86%	420
2010	111,200,000	9,677,752	101,522,248	0.82%	400
2011	106,480,000	10,769,006	95,710,994	0.74%	375
2012	102,350,000	12,176,155	90,173,845	0.68%	351
2013	97,100,000	11,953,725	85,146,275	0.61%	331
2014	95,309,577	11,844,751	83,464,826	0.64%	327
2015	90,364,365	12,194,061	78,170,304	0.56%	309
2016	84,687,418	11,164,706	73,522,712	0.51%	292
2017	77,688,566	9,971,469	67,717,097	0.46%	273

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 certificates of indebtedness.
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population data.
- (4) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana

Direct and Overlapping Governmental Activities Debt
 As of June 30, 2017

<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			
Caddo Parish Commission	\$ 31,660,000	100.00%	\$ 31,660,000
City of Shreveport	242,944,000	100.00%	242,944,000
Subtotal, overlapping debt			<u>274,604,000</u>
Caddo Parish School Board Direct Debt			<u>100,824,680</u>
Total direct and overlapping debt			<u><u>\$ 375,428,680</u></u>

Source: Audit reports 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 Caddo 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 only general bonded debt.
- (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 units taxable assessed value that is within the parish' boundaries and dividing it by each unit's total taxable assessed value.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 529,711,221	\$ 597,620,069	\$ 610,009,341	\$ 638,491,553	\$ 658,614,740	\$ 691,228,059	\$ 705,975,089	\$ 715,967,172	\$ 734,232,982	\$ 730,784,640
Total net debt applicable to limit	\$ 110,613,784	\$ 106,480,000	\$ 101,522,248	\$ 95,710,994	\$ 90,173,845	\$ 85,146,275	\$ 80,230,249	\$ 78,170,304	\$ 73,522,712	\$ 67,717,097
Legal debt margin	\$ 419,097,437	\$ 491,140,069	\$ 508,487,093	\$ 542,780,559	\$ 568,440,895	\$ 606,081,784	\$ 625,744,840	\$ 637,796,868	\$ 660,710,270	\$ 663,067,543
Total net debt applicable to the limit as a percentage of debt limit	20.88%	17.82%	16.64%	14.99%	13.69%	12.32%	11.36%	10.92%	10.01%	9.27%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 1,748,031,376
Add back exempt real property	339,924,738
Total assessed value	<u>2,087,956,114</u>
Debt limit (35% of total assessed value)	<u>730,784,640</u>
Debt applicable to limit	
General Obligation bonds	77,688,566
Less Amount set aside for repayment of general obligation debt	<u>9,971,469</u>
Total net debt applicable to limit	<u>67,717,097</u>
Legal debt margin	<u>\$ 663,067,543</u>

Source

Total assessed value is obtained from Caddo Parish Assessor Agency
Debt information is obtained from Table 10

Notes

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Percentage on Free & Reduced Meals	Unemployment Rate
2008	252,609	9,131,521,000	36,149	35.7	43,419	62.26	5.6
2009	252,895	9,364,448,955	37,029	35.7	42,977	69.41	5.4
2010	253,623	9,464,956,737	37,319	35.6	42,000	64.57	6.8
2011	254,969	10,392,536,440	40,760	35.6	41,000	65.00	8.2
2012	257,051	9,859,962,258	38,358	36.1	40,442	64.90	7.2
2013	257,093	10,491,965,330	40,810	36.4	41,728	65.00	6.7
2014	254,887	11,254,025,711	44,153	36.2	40,769	67.79	7.1
2015	252,603	11,091,583,000	43,909	36.4	39,621	67.73	7.2
2016	251,460	10,372,976,460	41,251	35.0	39,530	71.20	7.4
2017	247,597	12,095,608,644	48,852	*	39,199	71.20	6.7

Sources:

- (1) Population data obtained from U. S. Census Bureau and Center for Business Economic Research, Louisiana State University,
- (2) Per capita personal income data obtained from www.stats.indiana.edu.
- (3) Median age data obtained from U. S. Census Bureau and Center for Business Economic Research, Louisiana State University, Shreveport.
- (4) School enrollment and free and reduced meals data obtained from Louisiana Department of Education.
- (5) Unemployment rate obtained from U. S. Department of Labor Bureau of Labor Statistics.

* 2017 data was not available.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Principal Employers
Current Year and 2008

	2017		2008	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
State of Louisiana	12,226	6.94%	13,522	11.23%
Barksdale Air Force Base	11,205	6.36%	9,423	7.82%
Caddo Parish School Board	6,101	3.46%	6,688	5.55%
LSU Health Sciences Center	6,200	3.52%	5,954	4.94%
Willis Knighton Health System	6,145	3.49%	4,952	4.11%
Bossier Parish School Board	2,926	1.66%	-	-
City of Shreveport	2,718	1.54%	2,468	2.05%
Wal-Mart/Sam's Stores	2,000	1.13%	-	-
Harrah's/Horseshoe Casino	1,800	1.02%	-	-
Christus Schumpert Health System	1,600	0.91%	2,187	1.82%
El Dorado Casino	-	-	1,320	1.10%
General Motors	-	-	3,002	2.49%
US Support Company	-	-	1,600	1.33%
Total	52,921	30.03%	51,116	42.44%

Source: Louisiana Tech University, College of Business

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

School Building Information
June 30, 2017

Form of Government: Parish School Board
Geographic Area: 891 Square Miles
Population: 247,597
Public School Membership: Approximately 39,508

<u>Instruction Sites</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>	<u>Enrollment at 10/1/2016</u>
High Schools:				
C.E. Byrd	1926	246,347	20.56	2,185
Caddo Parish Magnet	1964	111,618	26.50	1,036
Captain Shreve	1967	193,488	58.00	1,468
Fair Park College Prep	1928	162,741	23.00	736
Green Oaks Performing Arts	1971	157,000	52.64	680
Huntington	1973	227,301	43.00	1,096
North Caddo	1954	96,425	40.00	414
Northwood	1970	147,486	63.20	990
Southwood	1970	195,503	60.00	1,547
Booker T. Washington	1950	145,366	33.00	712
Woodlawn	1960	176,858	53.00	770
		<u>1,860,133</u>	<u>472.90</u>	<u>11,634</u>
Middle Schools:				
Broadmoor Middle Lab	1949	88,586	16.00	499
Caddo Parish Middle Magnet	1965	110,432	20.00	1,219
Caddo Middle Career and Technology	1955	66,103	10.00	330
Donnie Bickham	1989	160,457	32.38	857
Herndon Magnet	1956	74,106	80.00	691
		<u>499,684</u>	<u>158.38</u>	<u>3,596</u>

(Continued)

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

School Building Information
June 30, 2017

<u>Instruction Sites:</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>	<u>Enrollment at 10/1/2016</u>
Middle Schools (continued):				
Lakeshore	1949	94,561	18.00	253
Ridgewood	1965	83,415	19.98	761
Youree Drive	1959	97,304	26.25	895
		774,964	222.61	5,505
Elementary Schools:				
Arthur Circle	1955	41,225	12.77	374
Atkins Technology	1935	60,096	13.00	254
Blanchard	1948	63,130	10.00	400
Caddo Heights Math/Science	1949	74,609	15.00	443
Cherokee Park	1966	54,142	8.50	323
Claiborne Fundamental Magnet	1923	54,701	5.00	408
Creswell	1920	57,328	4.00	434
Eden Gardens Fundamental Magnet	1967	44,496	6.50	504
Eighty-First Street ECE	1954	52,572	12.60	159
Fairfield Magnet	1924	43,330	9.00	481
Forest Hill	1964	62,506	12.40	522
J S Clark	1958	116,266	30.00	697
Judson Fundamental Magnet	1954	32,284	12.00	424
Keithville	1989	172,850	32.50	963
Midway	1931	63,028	15.09	293
Mooretown	1954	54,000	10.00	277
Mooringsport	1911	44,648	4.00	293
North Highlands	1957	54,806	10.00	417
Northside	1955	38,193	12.00	430
Oak Park Microsociety	1961	107,252	20.00	815
Pine Grove	1963	57,309	10.00	377
Queensborough	1924	58,776	5.00	308
		1,407,547	269.36	9,596

(Continued)

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

School Building Information
June 30, 2017

<u>Instruction Sites:</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>	<u>Enrollment at 10/1/2016</u>
Elementary Schools (continued):				
Riverside	1957	42,058	9.44	459
Shreve Island	1955	58,100	10.45	752
South Highlands Magnet	1922	54,343	5.40	509
Southern Hills	1959	77,674	10.00	844
A.C. Steere	1929	27,896	13.00	398
E.B. Williams Stoner Hill Lab	1954	34,587	14.44	249
Summer Grove	1954	39,535	12.00	633
Summerfield	1967	54,586	15.46	561
Sunset Acres	1954	57,975	10.73	333
Jack P. Timmons	1956	43,985	10.08	255
Turner	1984	162,000	17.00	1,021
University	1969	65,505	15.34	1,002
North Caddo Elementary/Middle	1923	90,651	9.00	771
Walnut Hill	1956	118,355	77.58	1,649
Werner Park	1942	68,977	8.30	457
Westwood	1960	38,881	10.00	528
		<u>2,442,655</u>	<u>517.58</u>	<u>20,017</u>
Other Instruction Sites:				
Academic Recovery Ombudsman	1956	68,140	11.69	88
Alexander Learning Center	1960	57,436	12.00	90
Caddo Central Office	1917	51,572	2.95	149
Caddo Career Center	1956	103,868	18.15	0
Special Education Center (Old Central Elen	1917	51,136	2.50	0
Magnolia School of Excellence	N/A	N/A	N/A	1,168
Newton Smith	1960	45,881	12.00	0
Pathways in Education - Louisiana, Inc.	N/A	N/A	N/A	402
School Nurse/Book Processing	1975	11,338	3.60	0
Special Education Center	1982	48,120	6.00	0
West Shreveport	1926	98,090	5.00	0
AMIkids Caddo	N/A	N/A	N/A	133
Caddo Virtual Academy	N/A	N/A	N/A	21
		<u>535,581</u>	<u>73.89</u>	<u>2,051</u>
Total Overall Instruction Sites		<u>5,613,333</u>	<u>1,286.98</u>	<u>39,207</u>

Concluded

Source: Louisiana Department of Education

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

School Personnel
Last Ten Fiscal Years Ended June 30

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Teachers										
Less than a Bachelor's degree	46	44	45	51	47	44	37	39	37	25
Bachelor	1895	1910	1911	1896	2009	1675	1686	1631	1599	1457
Master	622	642	647	668	716	623	667	649	670	665
Master +30	259	265	239	230	252	191	215	187	184	196
Specialist in Education	25	29	27	27	30	26	23	21	17	18
Ph.D or Ed.D	5	7	11	8	9	8	8	11	11	16
Total	<u>2852</u>	<u>2897</u>	<u>2880</u>	<u>2880</u>	<u>3063</u>	<u>2567</u>	<u>2636</u>	<u>2538</u>	<u>2518</u>	<u>2377</u>
Principals & Assistants										
Bachelor	0	0	0	0	0	0	0	1	2	1
Master	57	62	64	63	63	61	58	63	70	60
Master +30	86	80	81	73	67	66	63	68	67	60
Specialist in Education	5	6	5	5	7	7	8	9	8	6
Ph.D or Ed.D	6	9	8	8	9	6	7	7	6	7
Total	<u>154</u>	<u>157</u>	<u>158</u>	<u>149</u>	<u>146</u>	<u>140</u>	<u>136</u>	<u>148</u>	<u>153</u>	<u>134</u>

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2008	539,732,341	43,419	12,431	0.37	2,852	15.22
2009	565,739,387	42,977	13,164	0.06	2,897	14.84
2010	558,225,728	42,000	13,291	0.01	2,880	14.58
2011	552,691,216	41,000	13,480	0.01	2,880	14.24
2012	582,148,439	40,442	14,395	0.07	3,063	13.20
2013	577,153,411	41,728	13,831	-0.04	2,567	16.26
2014	494,966,474	40,769	12,141	-0.12	2,636	15.47
2015	498,218,961	39,621	12,575	0.04	2,538	15.61
2016	455,149,937	39,530	11,514	-0.08	2,518	15.70
2017	450,687,366	39,199	11,497	0.00	2,377	16.49

Notes:

- (1) This information is presented is extracted from agreed upon procedures report on performance and statistical d
- (2) Expenses are on full accrual and is extracted from Table 2, Changes in Net Assets.
- (3) Enrollment is extracted from Table 13, Demographic and Economic Statistics.
- (4) Teaching staff is extracted from Table 16, School Personnel.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule of Insurance in Force
6/30/2017

Type of Coverage/ Name of Company	Policy Number	Policy Period		Details of Coverage and Coinsurance	Coverage Limits	Premium
		From	To			
Property CNA (Continental Casualty)	RMP5084732785	7/1/2017	7/1/2018	Building/Contents \$1,000,000 deductible	\$ 300,000,000 Per Occurrence	\$ 374,405 \$ 9,435*
General Liability/Auto/ Sexual Abuse/Employment practices Berkley Insurance Co.	PEM000000205	7/1/2017	7/1/2018	Premises Liability/Law Enforcement Liability \$1,000,000 SIR Vehicle Liability \$1,000,000 SIR Sexual Abuse/ Employee Benefits Liability \$750,000 SIR Board member error, negligence or breach of duty Employment Practices Liability \$1,000,000 SIR	\$ 2,000,000 \$ 4,000,000 \$ 2,000,000 \$ 2,000,000 \$ 1,000,000 \$ 1,000,000 \$ 2,000,000 \$ 2,000,000	\$ 187,000
Terrorism Liability Lloyds of London - MAP Syndicate 2791	B1262PC603017	7/1/2017	7/1/2018	Terrorism liability \$10,000 deductible	\$ 2,000,000 \$ 4,000,000	\$ 9,961
Violent Malicious Acts Coverage Lloyds of London - MAP Syndicate 2791	B126PC0477217	7/1/2017	7/1/2018	Violent Malicious Acts Coverage \$15,000 deductible	\$ 1,000,000 \$ 1,000,000	\$ 18,663
Terrorism Property Insurance Lloyds of London - Pembroke Syndicate 4000	PW0209917	7/1/2017	7/1/2018	Terrorism property damage \$15,000 deductible	\$ 10,000,000 \$ 10,000,000	\$ 11,009
Fidelity/Crime Travelers Casualty & Surety	105813056	7/1/2018	7/1/2019	Employee Dishonesty \$5,000 deductible Public Official Bond Board President, Superintendent, & CFO \$10,000 deductible	\$ 500,000 \$ 1,000,000 Per Occurrence	\$ 5,968
Boiler and Machinery Travelers Property & Casualty Co.	BME1-6053C501-TIL	7/1/2019	7/1/2020	Equipment Breakdown Boiler Explosion \$25,000 deductible	\$ 250,000,000	\$ 23,934
Exterminator License Bond Travelers Casualty & Surety	TBD	5/3/2017	5/3/2018	Guarantees exterminator will conduct duties in the required manner	n/a	\$ 100
Disaster Management Response Lloyds of London	B1262PCO491517	7/1/2017	7/1/2018	Disaster Management Support	\$ 1,000,000	\$ 13,106
Excess Workers' Compensation State National Insurance Co.	NDE-0927517-17	7/1/2017	7/1/2018	Excess Workers' Compensation Employers Liability Cash Flow Protection Retention	\$ 1,000,000 \$ 1,000,000 \$ 275,000	\$ 50,112
Student Accident (Voluntary) Markel Insurance Company	N/A	8/1/2017	8/1/2018	Voluntary student accident coverage		\$ -

* Surcharge

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Single Audit Report
and
Agreed-Upon Procedures Report

As of and for the Year ended June 30, 2017



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CADDO PARISH SCHOOL BOARD

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Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

**Independent Auditors' 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***

Board Members
Caddo Parish School Board
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Caddo Parish School Board (the School Board), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 20, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002 and 2017-003.

We noted certain matters that we reported to management of the School Board, in a separate letter dated December 20, 2017.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit is described in the accompanying Schedule of 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2017



Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal
Control over Compliance Required by the *Uniform Guidance***

Board Members
Caddo Parish School Board
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Caddo Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *Uniform Guidance* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002 and 2017-003. Our opinion on each major federal program is not modified with respect to this matter.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit is described in the accompanying Schedule of 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.

Report on Internal Control Over Compliance

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

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

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

We noted certain matters that we reported to management of the School Board, in a separate letter dated December 20, 2017.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 20, 2017, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance, 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2017

Caddo Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Number	Federal Expenditures	Amounts Passed Through to Subrecipients
United States Department of Agriculture				
Child Nutrition Cluster				
Cash Assistance				
Passed through Ender York, Inc. of Herndon, Virginia:				
Food Distribution (Cash in lieu of commodities)	10.555	N/A	\$1,146,331	
Passed through Louisiana Department of Education:				
School Breakfast Program	10.553	N/A	3,602,210	
National School Lunch Program	10.555	N/A	12,125,289	
Summer Food Service Program for Children	10.559	N/A	37,689	
Total Child Nutrition Cluster			16,911,519	-
Passed through Louisiana Department of Education:				
Fresh Fruit and Vegetable Program	10.582	N/A	32,790	-
Total United States Department of Agriculture			<u>16,944,309</u>	<u>-</u>
United States Department of Education				
Passed through Louisiana Department of Education:				
Adult Education - Basic Grants to States	84.002	V002A150018	150,500	
Title I, Part A Cluster				
Grants to Local Educational Agencies	84.010	28-16-TA-09	273,948	
Grants to Local Educational Agencies	84.010	28-15-BJ-09	26,418	
Grants to Local Educational Agencies	84.010	28-17-TI-09	19,126,091	
Grants to Local Educational Agencies	84.010	28-18-TI-09	9,131	
Grants to Local Educational Agencies	84.010	28-16-BG-09	<u>77,268</u>	
Total Title I, Part A Cluster			19,512,856	119,817
Special Education Cluster (IDEA)				
Grants to States (IDEA Part B)	84.027	28-17-JP-09	49,369	
Grants to States (IDEA Part B)	84.027	28-15-OG-09	13,322	
Grants to States (IDEA Part B)	84.027	28-17-BI-09	7,153,432	
Grants to States (IDEA Part B)	84.027	28-18-BI-09	1,887,659	
Preschool Grants (IDEA Preschool)	84.173	28-17-CY-09	20,985	
Preschool Grants (IDEA Preschool)	84.173	28-17-CV-09	19,249	
Preschool Grants (IDEA Preschool)	84.173	28-17-CW-09	15,479	
Preschool Grants (IDEA Preschool)	84.173	28-17-PI-09	<u>225,289</u>	
Total Special Education Cluster (IDEA)			9,384,784	-
Special Education - State Personnel Development				
Career and Technical Education - Basic Grants to States	84.048	28-12-P7-09	109,016	-
Career and Technical Education - Basic Grants to States	84.048	28-16-02-09	16,977	
Career and Technical Education - Basic Grants to States	84.048	28-17-ME-09	3,000	
Career and Technical Education - Basic Grants to States	84.048	28-16-02-09	(1,258)	
Career and Technical Education - Basic Grants to States	84.048	28-17-02-09	<u>490,096</u>	
			508,815	-
Improving Teacher Quality State Grants (Title II)				
Improving Teacher Quality State Grants (Title II)	84.367	28-17-50-09	3,639,225	
Improving Teacher Quality State Grants (Title II)	84.367	28-18-50-09	<u>250,881</u>	
			3,890,106	-
Education for Homeless Children & Youth				
	84.196	28-17-HI-09	161,294	-

(Continued)

Caddo Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Grantor No.	Pass-Through Expenditures	Amounts Passed Through to Subrecipients
English Language Acquisition Grant (Title III)	84.365	28-17-60-09 & 28-17-S3-09	\$ 57,388	\$ -
Title IV:				
Safe and Drug-Free Schools and Communities National	84.184	S184G140197	63,484	
Safe and Drug-Free Schools and Communities National	84.184	S184G140197-16	<u>509,009</u>	
			572,493	-
Race to the Top	84.431	28-12-RC-09	2,099	-
Preschool Development Grants	84.419	28-15-RM-09	33,804	
Preschool Development Grants	84.419	28-16-RM-09	99,942	
Preschool Development Grants	84.419	28-15-RL-09	8,120	
Preschool Development Grants	84.419	28-16-RL-09	<u>26,903</u>	
			168,769	-
Math & Science Partnerships	84.366	28-16-MP-09	<u>61,770</u>	
			61,770	-
Total United States Department of Education			<u>34,579,890</u>	<u>119,817</u>
United States Department of Health and Human Services				
Direct Program:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	731748	22,000	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	731749	<u>70,130</u>	
			92,130	-
Passed through Louisiana Department of Education:				
Early Childhood Community Network CCDF	93.575	28-17-CO-09	85,618	-
Temporary Assistance for Needy Families (TANF)	93.558	28-17-36-09	818,362	
Temporary Assistance for Needy Families (TANF)	93.558	28-17-JS-09	<u>141,143</u>	
			959,505	-
Total United States Department of Health and Human Services			<u>1,137,253</u>	<u>-</u>
United States Department of Defense				
Direct Programs:				
Department of the Army: ROTC	12.Ukn	N/A	1,091,206	-
Flood Control Projects	12.106	N/A	<u>3,946</u>	-
Total United States Department of Defense			<u>1,095,152</u>	-
TOTAL FEDERAL AWARDS			<u>\$53,756,604</u>	<u>\$ 119,817</u>

(Concluded)

Caddo Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards activity of the Caddo Parish School Board, Shreveport, Louisiana (the School Board), under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School Board.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Caddo Parish School Board has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Relationship to Financial Statements

Federal awards revenues are reported in the School Board’s fund financial statements as follows:

<u>Funds</u>	<u>Federal Sources</u>
General	\$ 1,095,152
Other Governmental:	
Special Education	9,493,800
Title II	3,890,107
Title III	57,388
Safe and Drug-Free	572,493
TANF/JAG	959,505
Mathematics & Science	61,770
Adult Education	150,500
Vocational Education	508,815
Title I	19,512,856
Homeless	161,293
Child Nutrition Fund	16,944,309
Behavioral Health	92,130
Misc. State/Federal Grants	256,486
Total	\$ <u>53,756,604</u>

Note 4 – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the 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 revenue and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

Note 6 – Noncash Programs

No noncash awards were received for the year ended June 30, 2017. The School Board received cash in lieu of commodities.

**Caddo Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017**

Section I - Summary of Auditors' Results

A. Financial Statement Audit

Type of auditors' report issued on the basic financial statements: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified that are not considered to be material weaknesses? **Yes**

Noncompliance material to the basic financial statements noted? **No**

A separate management letter was issued on December 20, 2017.

B. Audit of Federal Awards

Type of auditors' report issued on compliance for major programs: **Unmodified**

Internal control over major programs:

- Material weaknesses identified? **No**
- Significant deficiencies identified that are not considered to be material weaknesses? **No**

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?
Yes

Any instances of material noncompliance in major programs disclosed during the audit? **No**

Identification of major programs:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
84.010	Title I, Part A Cluster
84.367	Improving Teacher Quality State Grants
12.UKN	Department of Army - ROTC

The dollar threshold used to identify Type A programs: **\$1,612,698**

Auditee qualified as a low-risk auditee under the Uniform Guidance: **No**

Caddo Parish School Board
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2017

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

Reference # and title: 2017-001 Controls Over Purchasing and Procurement Cards

Year of Origination – June 30, 2016

Entity-Wide or Program/Department Specific: This finding is entity-wide.

Criteria or Specific Requirement:

Good controls over purchasing and disbursements require appropriate checks and balances; therefore, more than one individual should be involved in the purchasing and disbursement functions. Management is to implement controls to ensure that purchases are (1) reasonable and necessary; (2) budgeted; (3) documented and approved; (4) received and safeguarded; and (5) used solely for the public purposes/functions of the School Board.

Condition:

Purchasing: In October 2016, the Caddo Sheriff's Task Force received a tip about possible criminal activity involving a School Board employee, Brandon Lewis, who was the transportation buyer for the transportation department. The Task Force contacted the internal audit department and they investigated the allegation. Lewis was placed on leave and then terminated. The offenses in question occurred between September 2014 and October 2017. The internal audit investigation concluded that Lewis used his business credit card for unauthorized purchases, which included purchasing VISA gift cards; created forged invoices to cover his activity; and used the School Board's account to purchase car parts and building materials from vendors for his personal gain. Based on the information gathered, the total loss is estimated at more than \$260,000. A claim has been filed with the School Board's insurance carrier. Brandon Lewis was arrested on January 31, 2017. The School Board's internal controls did not allow the detection of fraud or misappropriation in a timely manner.

Procurement Cards: There were several procurement card purchases made by various employees during the year that were not supported with proper documentation or the documentation was not provided timely. We also noted that there were many employees with procurement cards or had more than one card.

Effect:

Purchasing: Controls over purchasing were not effective in ensuring appropriate use.

Procurement Cards: Controls over procurement card usage were not effective in ensuring appropriate use. Management did not enforce the procurement card policy. This resulted in discovering that one employee abused the card by purchasing personal items.

Cause:

Purchasing: The School Board lacks strong internal controls over purchasing in certain departments.

Procurement Cards: The School Board is not consistently enforcing the written policy for procurement card usage by requiring supporting documentation on a timely basis.

**Caddo Parish School Board
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2017**

Recommendation:

Purchasing: We recommend that the School Board strengthen purchasing policies and procedures. Also, periodic review of total purchases from one vendor should be performed to ensure bid laws are not violated and also to ensure that major and/or multiple purchases from one vendor are valid.

Procurement Cards: We recommend that the School Board follow the procurement card policy that is already in place which requires an employee to provide documentation to support procurement card purchases. If there is no documentation provided on a timely basis, it is considered abuse and the employee's card should be cancelled. Abuse of the procurement card shall result in revocation of the card and appropriate disciplinary action may include termination.

In addition, "government best practices" suggest limiting the usage and the number of procurement cards.

Views of responsible officials and corrective action plan: Controls have been implemented to improve these procedures:

- Supervisors and Directors are required to review and initial all procurement card statements for employees under their control.
- Purchasing Director is now reviewing procurement card purchases online and looking for anything that appears to be an irregular purchase. These are reported to the cardholder's Director and the Chief Financial Officer. An explanation as to the need for the item is requested. Any pattern of misuse will result in revocation of the card.
- Blanket Purchase Orders are reviewed more closely by the Purchasing Director for need and amount. A report is now being generated on a regular basis, listing all outstanding blanket purchase orders.

Anticipated completion date: New procedures are already in place.

Person responsible for corrective actions:

James G. Lee, Chief Financial Officer
Caddo Parish School Board
1961 Midway Avenue
Shreveport, LA 71108
Telephone: 318-603-6355
Fax: 318-603-6512

Section III – Federal Award Findings and Responses

Reference # and title: 2017-002 Special Testing Documentation

Year of Origination – June 30, 2017

Federal Program and Specific Award Identification: This finding relates to Title I, Grants to Local Education Agencies, CFDA #84.010.

Criteria or Specific Requirement:

Special Test Annual Report Card, High School Graduation Rate - Documentation should be maintained on file to support the removal of a student from the regulatory adjusted cohort based on the exit code used. The following documents are required: code 7, death of student, a letter from parent or obituary; code 10, transfer out of state or country, a request for records from the receiving school, request for records or a statement written and signed by the parent or documentation proving student was a foreign exchange student; and, code 16, transferred to

**Caddo Parish School Board
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2017**

BESE-approved home study, a LDE approval letter. For students transferred to early college admissions program, a school withdrawal form and request for records from the College or University and proof of full-time enrollment in an academic program should be obtained.

Condition:

We selected a sample of forty students to test from the 2016-2017 accountability year listing of students removed from the regulatory adjusted cohort. There were eight exceptions. Six of the items had no documentation at all and two items did not have the required documentation needed for support.

Effect:

The School Board is not compliant with the requirements of the grant.

Cause:

Procedures are not in place to ensure that the required documentation is obtained and maintained in the files.

Recommendation:

We recommend that the School Board implement procedures to ensure that the required documentation is maintained in the files.

Views of responsible officials and corrective action plan: Controls have been implemented to maintain the proper documentation for Legitimate Leavers:

- Provide initial and follow-up training to all high school administrators, counselors and registrars to ensure understanding of the requirements and processes to be followed.
- Utilize JCampus and the updated LDOE Student Transcript System (STS) for collecting and reviewing documentation.
- Develop a standard process for reviewing school practices related to the collection of required documents.

Anticipated completion date: Some procedures are already in place. We anticipate the final completion date to be June 30, 2017.

Person responsible for corrective actions:

Keith Burton, Chief Academic Officer
Caddo Parish School Board
1961 Midway Avenue
Shreveport, LA 71108
Telephone: 318-603-6381

Reference # and title: 2017-003 Timely Removal of Employee from Monthly Payments

Year of Origination – June 30, 2017

Federal Program and Specific Award Identification: This finding relates to Army – ROTC.

Criteria or Specific Requirement:

Per the Army regulations, each employing school must forward a DD 2767 or termination letter containing the applicable date to the JIRO immediately upon the separation or death of any instructor. Separation of an instructor resigns his or her position. If notification is not received in a timely manner, then future reimbursements to the school must be adjusted by the JIRO to reflect the actual period of time the instructor performed duties as a JROTC instructor and to collect any over reimbursement.

**Caddo Parish School Board
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2017**

Condition:

During testing of payroll transactions and monthly electronic fund transfers from the Army, funds were received for six months after an instructor had resigned in July 31, 2016. This was corrected by the Army in the February reimbursement with an adjustment to collect the overpayment of \$31,665.

Effect:

The grant funding was received for an employee who had separated his position.

Cause:

The Army stated that the notification was not received until February 2017; however, the Caddo School Board Director of ROTC stated that the retirement letter was forwarded to the Army in April 2016 when received from the instructor. However, no documentation could be located to support when it was originally sent. Also, the monthly EFT reports were not reviewed by someone at the School Board to ensure that the Army is not sending funding for employees who have separated.

Recommendation:

We recommend that someone review the monthly EFT reports received from the Army to ensure that any terminated employees have been removed. Also, documentation should be maintained to support when the Army was notified of an instructor retiring/separating from an ROTC position.

Views of responsible officials and corrective action plan: In the future, we will review the monthly EFT reports received from the Army to ensure that any terminated employees have been removed. Also, we will make sure that documentation is maintained to support when terminations/retirements are communicated to the Army.

Anticipated completion date: March 2018

Person responsible for corrective actions:

Eric D. Sweeney, COL (R), USA
Director of Army Instruction (JROTC)
Caddo Parish School Board
1961 Midway Street
Shreveport, LA 71108
Telephone: 318-603-6426
Fax: 318-603-6422

Other Information

**Caddo Parish School Board
Summary Schedule of Prior Year Audit Findings and
Management Letter Comments
For the Year Ended June 30, 2017**

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Reference # and title: 2016-001 Controls Over Purchasing and Procurement Cards

Year of Origination – June 30, 2016

Condition:

Purchasing: In October 2017, the Caddo Sheriff's Task Force received a tip about possible criminal activity involving a School Board employee, Brandon Lewis, who was the transportation buyer for the transportation department. The Task Force contacted the internal audit department and they investigated the allegation. Lewis was placed on leave and then terminated. The offenses in question occurred between September 2014 and October 2017. The internal audit investigation concluded that Lewis used his business credit card for unauthorized purchases, which included purchasing VISA gift cards; created forged invoices to cover his activity; and used the School Board's account to purchase car parts and building materials from vendors for his personal gain. Based on the information gathered, the total loss is estimated at more than \$260,000. A claim has been filed with the School Board's insurance carrier. As of the date of this report, charges had not been filed against the former employee because the Sheriff's investigation was not yet complete. Brandon Lewis was arrested on January 31, 2017. The School Board's internal controls did not allow the detection of fraud or misappropriation in a timely manner.

Procurement Cards: There were several procurement card purchases made by various employees during the year that were not supported with proper documentation or the documentation was not provided timely. We also noted that there were many employees with procurement cards or had more than one card.

Corrective action taken: This is a repeat finding. See Finding 2017-001.

Reference # and title: 2016-002 Capital Assets

Year of Origination – June 30, 2016

Condition: We noted that a large property was sold for \$751,000 during the year; however, it was not recorded as being disposed in the fixed asset software. Also, there were \$3.7 million in transportation equipment that were disposed of in fiscal years 2013 and 2014 that were not properly removed from the fixed asset register until the current year.

Corrective action taken: Accounting adjusted the inventory account on GL to reflect the results of the physical inventory at year end. Also, no issues were noted in the current year testwork of the capital asset records to indicate that assets were not properly disposed.

SECTION II – FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None

SECTION III – MANAGEMENT LETTER

MLC 2016-001 Inventory of Capital Assets and Supplies

Resolved

MLC 2016-002 Budgets

Unresolved (See MLC 2017-001)



Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

Management Letter

Board Members
Caddo Parish School Board
Shreveport, Louisiana

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Caddo Parish School Board (the School Board) for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 20, 2017. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the School Board's financial statements. The report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. 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 and the provisions of the Uniform Guidance.

As a part of our examination, we have issued our report on the financial statements, dated December 20, 2017, and our reports on internal control and compliance with laws, regulations, contracts, and grants, and on compliance for each major program and internal control over compliance required the Uniform Guidance dated December 20, 2017.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

MLC 2017-001 Budgets

Year of Origination – June 30, 2014

Observation:

During review over budget compliance, we noted the EEF "tobacco" actual revenues were more than 5% less than budgeted revenues. An amended budget was not presented for approval. An amended budget must be approved if the actual revenue is 5% less than budgeted revenue or the actual expenditures are 5% more than budgeted expenditures.

Also, we noted that a budget was not adopted for one of the special revenue funds, the CEEF operating fund.

Recommendation:

We recommend that the School Board implement a policy requiring an appropriate individual or individual(s) to periodically review the budget versus actual expenditures for each fund and submit amended budgets to the board or the superintendent for approval when necessary.

We recommend that the School Board implement procedures to ensure that no special revenue funds are omitted from the budget package presented to the Board for adoption.

Views of responsible officials and corrective actions:

The Chief Financial Officer and Budget Supervisor review all funds periodically for the need for budget revision. The fund in question has unpredictable revenue each year, which makes it difficult to determine if a revision is needed. However, staff will review this particular fund more closely and prepare a revision as needed.

The CEEF operating budget adoption was overlooked. However, the 2017-18 budget was appropriately adopted.

Management has implemented a process to identify special revenue funds that require an amendment and effect such revisions, when practical. This has been assigned to our Budget Supervisor for quarterly review. A review process will be implemented to ensure no special revenue funds are overlooked during the budgeting.

MLC 2017-002 Bid Law

Year of Origination – June 30, 2017

Observation:

We noted two exceptions to the low bidder's attestation of verification of employees' citizenship status and attestation of no convictions, guilty pleas, or nolo contender to prohibited crimes. There is a requirement to have Attestations in the bid folder and for them to have been submitted within 10 days after the bid opening.

Recommendation:

We recommend that the Construction Department implement procedures to ensure that all items are received in a timely manner.

Views of responsible officials and corrective actions:

Management will implement a process to ensure that all forms are in folders and received timely.

This report is intended solely for the information and use of the Members of the School Board, management, others within the School Board, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2017



Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

Independent Accountant's Report On Applying Agreed-Upon Procedures

Board Members
Caddo Parish School Board
Shreveport, Louisiana

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

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

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

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

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

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, Assistant 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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Comment: No exceptions were noted as a result of applying agreed-upon procedures.

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

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

Comment: No exceptions were noted as a result of applying agreed-upon procedures.

Public School Staff Data: Average Salaries (Schedule 5)

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

Comment: No exceptions were noted as a result of applying agreed-upon procedures.

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

Comment: No exceptions were noted as a result of applying agreed-upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in Procedure 5. We then traced a random sample of 10 classes to the October 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 agreed-upon procedures.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

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

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

iLEAP Tests (Schedule 9)

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

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

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

This report is intended solely for the use of management of Caddo 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2017

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 1

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2017**

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 118,395,279	
Other Instructional Staff Activities	18,176,581	
Employee Benefits	83,406,121	
Purchased Professional and Technical Services	2,983,685	
Instructional Materials and Supplies	5,453,478	
Instructional Equipment	<u>1,283,283</u>	
Total Teacher and Student Interaction Activities		\$ 229,698,427
Other Instructional Activities		858,046
Pupil Support Activities	24,987,691	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		24,987,691
Instructional Staff Services	16,763,811	
Less: Equipment for Instructional Staff Services	<u>685,691</u>	
Net Instructional Staff Services		16,078,120
School Administration	29,984,497	
Less: Equipment for School Administration	<u>18,124</u>	
Net School Administration		<u>29,966,373</u>
Total General Fund Instructional Expenditures		<u>\$ 301,588,657</u>
Total General Fund Equipment Expenditures		<u>\$ 2,202,203</u>
 <u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 13,339,267
Renewable Ad Valorem Tax		104,982,558
Debt Service Ad Valorem Tax		8,658,568
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		2,406,828
Sales and Use Taxes		<u>72,891,833</u>
Total Local Taxation Revenue		<u>\$ 202,279,054</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ -
Earnings from Other Real Property		<u>255,862</u>
Total Local Earnings on Investment in Real Property		<u>\$ 255,862</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 335,761
Revenue Sharing - Other Taxes		1,506,125
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u>\$ 1,841,886</u>
Nonpublic Textbook Revenue		<u>\$ 81,558</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 2

Education Levels of Public School Staff
As of October 1, 2016

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	25	1%	8	15%	0	0%	0	0%
Bachelor's Degree	1457	61%	40	72%	1	1%	0	0%
Master's Degree	665	28%	6	11%	60	45%	1	0%
Master's Degree + 30	196	8%	1	2%	60	45%	0	0%
Specialist in Education	18	1%	0	0%	6	4%	0	0%
Ph. D. or Ed. D.	16	1%	0	0%	7	5%	0	0%
Total	2377	100%	55	100%	134	100%	1	0%

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2017

Type	Number
Elementary	39
Middle/Jr. High	8
Secondary	16
Combination	2
Total	65

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

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 4

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2016

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	3	-	5	4	11	25	25	73
Principals	1	1	-	6	6	20	28	62
Classroom Teachers	222	217	661	300	366	296	370	2,432
Total	226	218	666	310	383	341	423	2,567

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana

Schedule 5

Public School Staff Data: Average Salaries
 For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$54,154.70	\$53,680.89
Average Classroom Teachers' Salary Excluding Extra Compensation	\$50,837.12	\$50,308.12
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	2,359	2,326

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.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 6

Class Size Characteristics
As of October 1, 2016

School Type	Class Size Range							
	1-20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	45%	3,147	43%	3,034	11%	800	0%	22
Elementary Activity Classes	41%	737	45%	818	13%	232	1%	12
Middle/Jr. High	44%	729	29%	478	26%	431	0%	4
Middle/Jr. High Activity Classes	47%	166	15%	53	22%	76	16%	57
High	62%	3,425	14%	753	19%	1,039	5%	284
High Activity Classes	81%	613	8%	62	6%	48	4%	31
Combination	54%	245	38%	171	7%	30	2%	7
Combination Activity Classes	39%	29	44%	33	9%	7	8%	6

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.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 7

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	3%	5%	5%	2%	10%	8%
Mastery	26%	23%	20%	21%	21%	18%
Basic	32%	41%	45%	27%	36%	37%
Approaching Basic	26%	18%	19%	33%	16%	17%
Unsatisfactory	13%	13%	11%	17%	18%	20%
District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	4%	4%	3%	2%	1%	2%
Mastery	11%	12%	13%	10%	12%	11%
Basic	38%	43%	39%	39%	47%	45%
Approaching Basic	31%	30%	28%	27%	24%	24%
Unsatisfactory	15%	11%	16%	22%	17%	18%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	3%	4%	6%	4	5%	3%
Mastery	34%	17%	20%	19	5%	6%
Basic	27%	36%	37%	19	41%	44%
Approaching Basic	20%	31%	24%	29	23%	23%
Unsatisfactory	15%	12%	13%	28	26%	24%
District Achievement Level Results	Science			Social Studies		
	2016	2015	2014	2016	2015	2014
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	2%	3%	4%	2	2%	3%
Mastery	14%	15%	18%	13	15%	15%
Basic	31%	35%	35%	36	37%	41%
Approaching Basic	28%	29%	27%	24	24%	21%
Unsatisfactory	24%	18%	16%	25	21%	21%

**CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana**

Schedule 8

**Graduation Exit Examination (GEE)
For the Year Ended June 30, 2017**

Please note that the GEE has been phased out by the Department of Education, everything at that level was moved to end of course testing. This schedule is no longer required.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule 9

/ LEAP Tests
For the Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	3%	2%	6%	7%	4%	4%	6%	5%	5%	N/A	2%
Mastery	31%	27%	26%	31%	31%	25%	16%	16%	16%	14%	N/A	13%
Basic	24%	23%	24%	26%	28%	28%	38%	37%	38%	24%	N/A	43%
Approaching Basic	20%	23%	24%	21%	21%	26%	25%	27%	24%	28%	N/A	23%
Unsatisfactory	20%	23%	24%	16%	13%	16%	16%	15%	17%	29%	N/A	19%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	4%	1%	3%	4%	3%	3%	3%	3%	2%	N/A	5%
Mastery	30%	27%	26%	20%	19%	22%	13%	11%	12%	11%	N/A	10%
Basic	30%	30%	34%	28%	29%	30%	37%	34%	42%	19%	N/A	44%
Approaching Basic	24%	27%	28%	30%	32%	33%	27%	28%	26%	28%	N/A	25%
Unsatisfactory	12%	13%	10%	18%	16%	11%	21%	24%	17%	40%	N/A	16%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	5%	2%	2%	4%	1%	6%	6%	4%	6%	N/A	9%
Mastery	22%	33%	29%	16%	19%	16%	14%	15%	15%	10%	N/A	13%
Basic	28%	34%	36%	24%	29%	27%	33%	37%	37%	19%	N/A	37%
Approaching Basic	31%	21%	23%	38%	34%	39%	29%	25%	28%	30%	N/A	26%
Unsatisfactory	16%	8%	10%	20%	15%	16%	19%	16%	16%	36%	N/A	16%

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	11%	10%	5%	3%	3%	1%	7%	6%	5%	9%	N/A	6%
Mastery	24%	27%	25%	17%	19%	15%	20%	19%	18%	15%	N/A	15%
Basic	26%	27%	27%	29%	26%	30%	30%	33%	32%	23%	N/A	35%
Approaching Basic	23%	22%	25%	35%	38%	34%	25%	26%	25%	20%	N/A	26%
Unsatisfactory	17%	14%	18%	16%	14%	20%	18%	17%	20%	33%	N/A	18%

Please note that the grade 9 iLEAP has been dropped by the Department of Education, everything at that level was moved to end of course testing. The Department of Education will be reviewing End of Course Testing and its potential inclusion for Assurance purposes in time for Assurance submissions next year.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Caddo Educational Excellence Fund
Independent Accountants' Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com



Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

Independent Accountant's Report On Applying Agreed-Upon Procedures

Board Members
Caddo Parish School Board
Shreveport, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Caddo Parish School Board ("School Board"), solely to assist you in evaluating the effectiveness of the School Board's compliance with Louisiana RS 17:408.2 (Act No. 743 of the 1995 Louisiana Legislative Session) concerning the Caddo Educational Excellence Fund (CEEF) (a permanent fund of the Caddo Parish School Board) for the year ended June 30, 2017. The Caddo Parish School Board's management is responsible for the School Board's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Obtained the balances and a summary of the activity of the CEEF funds from the School Board as of and for the year ended June 30, 2017.

Comment: See Attachment I and II.

2. We selected all of the deposits from the two riverboats from the CEEF general ledger covering all twelve months during the fiscal year ended June 30, 2017, totaling \$588,925, or 100% of total fees collected, and compared the amounts received to the amounts that should be received per the written agreements and the revenue reported by the casinos to the Louisiana Gaming Control Board. LSA-R.S. 27:93 requires that:

- a. The School Board is receiving the correct amount from the respective casinos per written agreement.

Comment: No exceptions noted in the procedures performed.

3. Agreed the amount of interest removed from the CEEF general ledger and the School Board's CEEF bank account to the amount deposited into the CEEF Operating Special Revenue Fund general ledger and the School Board's sweep bank account in January 2017, from which disbursements are made. LSA-R.S. 17:408.1(A) requires that:

- a. The CEEF was established
- b. The CEEF is a permanent trust fund
- c. The bank account for the CEEF is in the official repository of the Caddo Parish School Board
- d. The monies in the CEEF were held and invested on behalf of the Caddo Parish School Board.
- e. The investment income from the CEEF accounts was withdrawn by the Caddo Parish School Board only during January of the calendar year.

Comment: No exceptions noted in the procedures performed.

4. Compared the investments of the monies held in the CEEF bank account to the types of investments allowed by the State of Louisiana. Louisiana R.S. 17:408.1B requires that:
 - a. The monies in the CEEF are to be invested in the same manner as monies in the state general fund.
 - b. The amount of earnings in the CEEF was kept account of separately from the fund principal.

Comment: No exceptions noted in the procedures performed.

5. Obtained a general ledger detail of the CEEF fund expenditure activity. From this, we judgmentally selected 3 expenditures which made up 100% of total CEEF disbursements, and agreed the expenditure amount to the invoice. We reviewed the invoices to ensure all disbursements were approved based on the School Board's required policy and expended solely for the purposes of instructional enhancement as defined below:

Enhancement may include:

- Provision for materials and supplies, including computers and other technological upgrades;
- Training for students, faculty and administrators on the use of materials;
- Professional development of teachers;
- Establishment of exemplary programs of instruction.

Enhancement may not include:

- Costs of additional administrators;
- Increases in salaries of benefits for employees, or maintenance or custodial costs

Comment: No exceptions noted in the procedures performed.

6. Recalculated the amount of interest being removed from the CEEF as recorded in the CEEF general ledger.

Comment: No exceptions noted in the procedures performed.

7. Compared approval of expenditures tested in step 5 to the School Board's required policy.

Comment: No exceptions noted in the procedures performed.

We were not engaged to, and did not conduct an audit or examination, the objective of which would be the expression of an opinion on the School Board's compliance with Act 743 of 1995 concerning the Caddo Educational Excellence Fund (a permanent fund of the Caddo Parish School Board) for the year ended June 30, 2017. 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 Caddo 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 20, 2017

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana
 Statements of Revenue, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2017

(Unaudited)

	Caddo Educational Excellence Permanent Fund	Caddo Educational Excellence Special Revenue Fund
	<u> </u>	<u> </u>
Revenues:		
Fees:		
Sam's Town	\$ 477,906	\$ -
Boomtown	111,019	-
Interest earnings	<u>21,376</u>	<u>-</u>
Total operating revenues	<u>610,301</u>	<u>-</u>
Expenditures – administration, current instruction, support services	<u>-</u>	<u>3,941</u>
Excess of revenues over expenditures	610,301	(3,941)
Operating transfers to/from other funds	<u>(16,330)</u>	<u>16,330</u>
Net change in fund balance	593,971	12,389
Fund balance, beginning of year	<u>20,907,993</u>	<u>262,998</u>
Fund balance, end of year	<u><u>\$ 21,501,964</u></u>	<u><u>\$ 275,387</u></u>

**Caddo Parish School Board
Shreveport, Louisiana**

AGREED-UPON PROCEDURES REPORT

June 30, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com



Carr, Riggs & Ingram, LLC
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Mailing Address:
P.O. Box 4278
Shreveport, LA 71134-0278

(318) 222-2222
(318) 226-7150 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Caddo Parish School Board and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Caddo Parish School Board ("CPSB") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. CPSB's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment: See the following comments related to the CPSB policies:

No exceptions were noted in the Budgeting policy and the Travel and expense reimbursement policy. For the other policies, we noted the following:

The Purchasing policy does not address controls to ensure compliance with public bid law. In addition, we noted that certain aspects of the following items were mentioned, but they were not specific or detailed: how vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders, and the documentation required to be maintained for all bids and price quotes.

There are Disbursements and Receipts policies that properly address the components above; however, they are only for the individual schools.

The Payroll/Personnel policy addresses certain components; however, there is no approval of absences in the SunGard system.

There is no separately written internal policy for Contracting.

The Credit Card policy does not address how cards are to be controlled.

The Ethics policy does not include: actions to be taken if an ethics violation takes place, system to monitor possible ethics violations, and does not have a requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Debt Service policy does not include EMMA reporting requirements.

Board (or Finance Committee, if applicable)

2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) We reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) We reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, we reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, we reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) We reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Comment: *The Caddo Parish School Board did not reference Budget-to-Actual comparisons for the General Fund and Major Funds for any month during the fiscal year except May 2017. While these comparisons are not reflected in the minutes, the CFO provides financial statements for major funds to the board monthly, and for all funds quarterly.*

Bank Reconciliations

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Comment: *No exceptions noted in the procedures performed.*

4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment:

There were 17 bank accounts, including school accounts and non-school accounts, selected for testing. No exceptions noted in the procedures performed except for the following:

On all of the individual school bank accounts selected, Principals reviewed the bank reconciliations but also signed checks for the bank accounts; therefore, they were involved in the transactions associated with the bank accounts.

For the bank reconciliations of one school (Herndon Magnet), there was no evidence of review by management/board for 5 months (July 2016, October 2016 – November 2016, and February 2017).

The Accounting Supervisor reviews the bank reconciliation for the School Board's operating/consolidated account; however, she also initiates wire transfers and receives certain checks for this bank account. The reconciliations are prepared independently in the Internal Audit Department, where, if there were an improper wire, the Chief Internal Auditor would immediately be notified. All wire transfers require approval of the CFO.

Collections

5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Comment: *No exceptions noted in the procedures performed.*

6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Comment:

There were 15 collection locations, including both school and non-school locations, selected for testing. No exceptions noted in the procedures performed except for the following:

School bookkeepers are not bonded. However, there is an employee theft insurance policy that covers up to \$500,000 of theft loss with a \$5,000/employee deductible. The only bonded employees are the Superintendent, CFO and the Board President.

Each school bookkeeper records the collection transaction, deposits the cash in the bank, and also prepares the bank reconciliation. However, all school staff has been informed that they must wait for a receipt when turning in funds. Also, bank statements are received, opened and reviewed by the principal.

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Comment: *No exceptions noted in the procedures performed.*

- c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we reported the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and reported any exceptions.

Comment: *See the following comments for the cash collection locations selected:*

1. Child Nutrition/Central Office – Funds were collected and deposited 2 days later.
2. Green Oaks – Funds were collected and deposited between 2 and 4 days later.
3. Caddo Magnet High – Funds were collected and deposited between 2 and 3 days later.
4. Southwood High – Funds were collected and deposited 3 days later.
5. Herndon Magnet – Funds were collected and deposited 2 days later
6. Atkins Technology School – Funds were collected and deposited 2 days later.
7. Blanchard Elementary – Funds were collected and deposited between 2 and 3 days later.
8. Caddo Heights Elementary– Funds were collected and deposited 2 days later.
9. Creswell Elementary– Funds were collected and deposited between 3 and 7 days later.
10. Fairfield Elementary– Funds were collected and deposited 3 days later.
11. Judson Fundamental Magnet – Funds were collected and deposited 2 and 5 days later.
12. North Caddo Elementary– Funds were collected and deposited between 3 and 4 days later.
13. Woodlawn High– Funds were collected and deposited between 2 and 3 days later.
14. Broadmoor Middle Lab– Funds were collected and deposited between 3 and 4 days later.

Caddo School Board policy requires all locations deposit all funds at least on Fridays and all undeposited funds are maintained in locked secure locations until the deposit is made.

7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: No exceptions noted in the procedures performed.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

Comment: No exceptions noted in the procedures performed.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Comment: There were seven out of twenty-five disbursements selected with no purchase requisition or equivalent system that separates initiation from approval functions in the same manner as a requisition/purchase order system. These disbursements were not required to have purchase requisitions according to the Caddo Parish School Board's purchasing policy.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Comment: No exceptions noted in the procedures performed.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who makes the final authorization for disbursements have no responsibility for initiating or recording purchases.

Comment: No exceptions noted in the procedures performed.

12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.

Comment: No exceptions noted in the procedures performed.

13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks were likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Comment: No exceptions noted in the procedures performed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

Comment: No exceptions noted in the procedures performed.

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) We reported whether finance charges and/or late fees were assessed on the selected statements.

Comment: *Five of the cards had no evidence that the monthly statements were reviewed and approved in writing by someone other than the authorized card holder.*

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, we reported whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Comment:

CPSB does not require original Fuelman receipts to be maintained; therefore, none of the Fuelman transactions tested had an original itemized receipt.

Two meal charge transactions had no documentation of individuals participating.

Ten separate charges on one of the credit cards had no purpose clearly documented or supported.

One credit card was missing an original receipt and documentation of purpose for one transaction.

One credit card had no original receipts or documentation of the purpose of the transactions charged in the month of April 2017 and May 2017.

- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.

Comment: *No exceptions noted in the procedures performed.*

- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

Comment: No exceptions noted in the procedures performed.

Travel and Expense Reimbursement

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.

Comment: No exceptions noted in the procedures performed.

18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

Comment: No exceptions noted in the procedures performed.

19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.
- b) We reported whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: No exceptions noted in the procedures performed.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.

Comment: *No exceptions noted in the procedures performed.*

21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

Comment: *No exceptions noted in the procedures performed.*

b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

➤ If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

➤ If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.

Comment: *No quotes were solicited for three contracts that were not subject to Louisiana Bid Law or Procurement Code.*

c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Comment: *Not applicable. There were no contracts were amended during the fiscal year.*

d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

Comment: *No exceptions noted in the procedures performed.*

e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: *No exceptions noted in the procedures performed.*

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. We randomly selected five employees/officials, obtained their personnel files, and:

- a) We reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Comment: *No exceptions noted in the procedures performed.*

- b) We reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

Comment: *No exceptions noted in the procedures performed.*

23. We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) We reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) We reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) We reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Comment: *There were five employees that did not document attendance and leave for the week of December 19, 2016 through December 23, 2016. Three of the five employees work in the Central Office.*

Fifteen of twenty-five employees did not have supervisor's approval of attendance and leave.

One employee documented her absence in AESOP (system for teachers to report days absent); however, the timekeeper at the school did not transfer the absence to the TimeCard Online. The TimeCard Online is a file that is uploaded into SunGard (the School Board's accounting and payroll software) where the leave and absences are accumulated and totaled for each employee. The School Board's IT department is working with the software provider to create a workflow that will enable electronic approval of employee absences.

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Comment: *No exceptions noted in the procedures performed.*

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comment: There was one instance of payroll taxes being submitted past the due date. The payroll taxes for the supplemental payroll of 12/22/2016 were submitted on 1/5/2017. The delay was due to the Christmas and New Year's holidays. CFO will remind Payroll Manager each year to ensure that all tax deposits have been made prior to the holiday break.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Comment: No exceptions noted in the procedures performed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Comment: No exceptions noted in the procedures performed.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Comment: Not applicable. No debt was issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Comment: No exceptions noted in the procedures performed.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Comment: No exceptions were noted in the procedures performed.

Other

31. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Comment: Management represented that there had been no misappropriations of public funds or assets during the fiscal year.

32. We observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: *No exceptions noted in the procedures performed.*

33. If the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Comment: *Not applicable.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC
Shreveport, Louisiana
December 20, 2017



CADDO PARISH SCHOOL BOARD

POST OFFICE BOX 32000 • 1961 MIDWAY STREET • SHREVEPORT, LOUISIANA 71130-2000
AREA CODE 318 • TELEPHONE 603-6300 • FAX 631-5241

James G. Lee
Chief Financial Officer

December 20, 2017

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

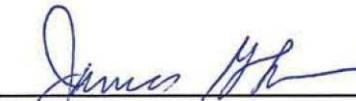
and

Carr, Riggs & Ingram
1000 East Preston Avenue
Suite 200
Shreveport, LA 71105

Re: Management Response to Agreed-Upon Procedures

The Caddo Parish School Board Management Team has reviewed the Independent Accountant's Report on Applying Agreed-Upon Procedures. The Management Team is in agreement with the report as provided by Carr, Riggs & Ingram. In addition, the Caddo Parish School Board has implemented changes or additions to policy or procedures where necessary to meet the expectations identified in the report.

Respectfully,



James G. Lee
Chief Financial Officer