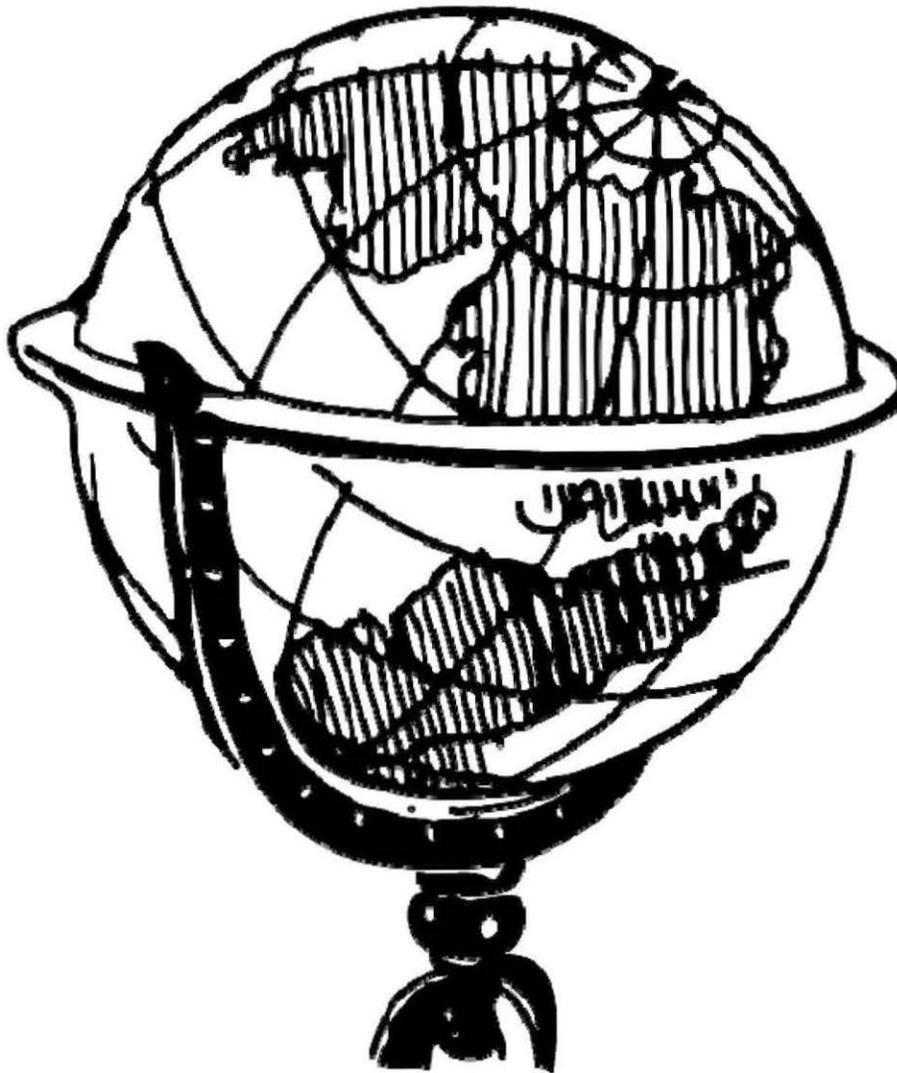


DeSoto Parish School Board

Mansfield, Louisiana



Comprehensive Annual Financial Report
As of and for the year ended June 30, 2018

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

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

Anyone interested in reviewing this document or any prior year sworn annual financial statement can go to <http://www.desotopsb.com/documentsinfo>, or they can contact the Director of Business Services; DeSoto Parish School Board; 201 Crosby Street; Mansfield, LA 71052.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

For the Year Ended June 30, 2018

Mr. Dudley Glenn
President

Mr. Clay Corley
Superintendent

Mrs. Donayle Ashworth
Director of Business Services

Prepared by the Business Department

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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INTRODUCTORY SECTION

To the Elected School Board Members and
Citizens of DeSoto Parish
December 28, 2018



December 28, 2018

RE: Financial Statement Transmittal Letter
For the Fiscal Year Ended June 30, 2018

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

Louisiana law requires that an annual sworn financial statement be furnished to the Legislative Auditor within six months of the close of each fiscal year in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the DeSoto Parish School Board for the year ended June 30, 2018.

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

- The *Introductory Section* provides general information on the DeSoto Parish School Board's structure and personnel as well as information useful in assessing the Board's financial condition.
- The *Financial Section* contains the basic financial statements and required supplementary information (including management's discussion and analysis), as well as, the independent auditor's report. The financial section also includes supplementary information useful to financial statement users.
- The *Statistical Section* provides a broad range of trend data covering key financial indicators from the past 10 fiscal years (for instance, general government revenues and expenditures, property tax collections, debt burden). It also contains demographic and miscellaneous data useful in assessing the Board's financial condition.

Management's Representations & Internal Control Framework

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

To the Elected School Board Members and
Citizens of DeSoto Parish
December 28, 2018

Independent Auditor's Review of Financial Statements

The DeSoto Parish School Board's financial statements have been audited by Allen, Green & Williamson, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the DeSoto Parish School Board for the fiscal year ended June 30, 2018 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 DeSoto Parish School Board's financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

Management's Discussion & Analysis (MD&A)

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

PROFILE OF THE DESOTO PARISH SCHOOL BOARD

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

The School Board operated 9 school campuses within the parish, employs more than 740 teachers and other school workers, and has a total enrollment exceeding 5,200 pupils. In conjunction with the regular K-12 educational programs, some of these schools offer early childhood (4-year old), special education, and career and technical education programs. The School Board also provides services for expelled students, home bound students, transportation to and from school, and meals for breakfast and lunch.

To the Elected School Board Members and
 Citizens of DeSoto Parish
 December 28, 2018

Mission Statement

The mission of the DeSoto Parish School Board is

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

Projected Student Enrollment

Student enrollment was 5,221 in FY 2017-18. Enrollment trends continue to show a growth of students in the North DeSoto area as shown in the table below. This growth is due to its proximity to Shreveport and because developers are continuing to build new single family homes in subdivisions in and around the Stonewall area. This is causing a number of families to relocate from other parts of the parish as well as from Caddo Parish.

<u>Attendance Districts</u>	Number of Students		Change	
	<u>FY 2013-14</u>	<u>FY 2017-18</u>	<u>Students</u>	<u>Percent</u>
District No. 1 - Logansport	671	695	24	3.6%
District No. 2 - North DeSoto	2,366	2,591	225	9.5%
District No. 3 - Stanley	427	415	(12)	-2.8%
District No. 4 - Mansfield	1,681	1520	(161)	-9.6%
Total	5,145	5,221	(76)	1.5%

Age of School Buildings

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

To the Elected School Board Members and
 Citizens of DeSoto Parish
 December 28, 2018

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

**Listing of Instructional Sites
 (Currently in Use)**

	<u>Date Constructed</u>	<u>School District</u>	<u>Grades Taught</u>	<u>Capacity Sq. Ft.</u>	<u>Acreage</u>
<u>High Schools</u>					
Logansport	1992	#1	PreK-12	124,197	53.47
Mansfield	2009	#4	9-12	141,641	27.34
North DeSoto	1982	#2	9-12	151,518	37.57
Stanley	1991	#3	PreK-12	67,120	40.00
<u>Middle Schools</u>					
Mansfield Elementary/Middle	1994	#4	PreK-8	216,878	140.30
North DeSoto	2007	#2	6-8	86,626	41.56
<u>Elementary Schools</u>					
North DeSoto - Lower Elem.	1988	#2	PreK-1	65,782	53.26
North DeSoto - Upper Elem.	1994	#2	2-5	98,936	15.00
				<u>952,698</u>	<u>408.50</u>

**Listing of Other Sites
 (Currently in Use)**

<u>Other Sites</u>	<u>Date Constructed</u>	<u>Capacity Sq. Ft.</u>	<u>Acreage</u>
Central Office	1956	5,287	1.13
Central Office Warehouse	1956	4,000	0.30
DeSoto Alternative Program	1998	19,507	4.20
Instructional Materials Center	1969	14,950	3.36
Maintenance Facility	2009	19,734	1.74
Media Center Warehouse	1981	9,200	0.25
Special Services Building	1981	10,020	1.15
Transportation/Food Service	2010	<u>14,592</u>	<u>9.00</u>
		<u>97,290</u>	<u>21.13</u>

Budget Overview

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

To the Elected School Board Members and
Citizens of DeSoto Parish
December 28, 2018

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

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

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

ECONOMIC CONDITION OF DESOTO PARISH, LOUISIANA

Local Economy

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

Sales tax stabilized during the fiscal year. In addition, there were one-time payments that helped increase overall financial position at June 30, 2018.

In Stonewall and Frierson, neighborhoods continue to expand. In Stonewall, several neighborhoods continue to grow while new neighborhoods are starting to see houses added. Neighborhoods in Frierson continue to expand also.

New commercial businesses in Stonewall include Red River Bank, Mineral Tech, an urgent care facility, and other service related businesses. Logansport and Grand Cane have both added Progressive National Bank locations and Mansfield is adding a Tractor Supply store.



To the Elected School Board Members and
 Citizens of DeSoto Parish
 December 28, 2018

Long-term Financial Planning

Annual Other Post Employee Benefits (OPEB) Cost and Liability – The Other Post Employee Benefits (OPEB) liability has been funded every year since FY 2008-09 in accordance with the standards established by the Governmental Accounting Standards Board (GASB) - Statement No. 45. With the implementation of GASB Statement No 74 and 75, we have to recognize a net OPEB liability of \$58.9 million.

As of June 30, 2018, the funded ratio of the net OPEB liability is 51.76%, which is net of the OPEB plan assets of \$63.2 million. Until the OPEB liability is fully funded, the funding strategies below are being utilized:

- Continue the transfer from reserve of any monies of the Medical or Dental Internal Service funds that exceeds 25% of Total Operating Expenses from the prior fiscal year.
- Receive payments from the Sales & Use Tax Commission for its employees.

Major Initiatives

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

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

<u>Early Childhood Funding Sources</u>	<u>Funding Source</u>	<u>FY 2017-18 Cost</u>
Title I	Federal grant	\$ 911,895
Temporary Assistance for Needy Families	Federal grant	475,804
LA4 State	State grant	471,484
484Student Enhancement - 8G	State grant	71,438
General fund	Local	<u>150,658</u>
Total		\$2,081,279

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

<u>TAP Funding Sources</u>	<u>Funding Source</u>	<u>FY 2017-18 Cost</u>
Teacher Incentive Fund	Federal grant	\$ 1,326,693
Title I	Federal grant	453,372
IDEA	Federal grant	91,701
School Improvement	Federal grant	41,500
General fund	Local	<u>759,946</u>
Total		\$2,673,212

To the Elected School Board Members and
Citizens of DeSoto Parish
December 28, 2018

Relevant Financial Policies

The Board has several relevant financial policies (approved in March 2014) to preserve and enhance the fiscal health of the school system. They also identify acceptable and unacceptable courses of action, and provide a standard to evaluate the Board's fiscal performance. Besides the Board's Annual Operating Budget policy, other policies that are central to a strategic, long-term approach to financial management include the following

- **Budget Crisis Procedures** – The budget crisis procedures policy is intended to provide the Board with options when responding to unexpected fiscal issues that can and do arise. Should budget problems materialize, these procedures will support comprehensive risk analysis and contingency plans.
- **Capital Asset Management and Replacement** – In support of its educational programs, the DeSoto Parish School Board owns and operates an extensive amount of land, buildings, building improvements, equipment, furniture, and vehicles. The purpose of this policy is to (1) provide a management framework to ensure that all capital assets are repaired, maintained, and replaced, and (2) to identify the responsible parties who shall protect, oversee, and report needed repairs.
- **General Fund Budget Reserves** – The General Fund is the primary fund used by the DeSoto Parish School Board to account for the Board's educational and instructional services. Accordingly, the General Fund reserve policy is intended to provide the Board with options when responding to unexpected issues, and to afford buffer against shocks and other forms of risks.
- **Long-Term Forecasting** – The annual operating budget focuses on a single 12 month period. Nevertheless, spending and revenue decisions made today have effects that extend beyond the 12 month period. Accordingly, the purpose of this policy is to (1) ensure on-going financial sustainability beyond a single fiscal year or budget cycle, (2) achieve the Board's organizational mission, and (3) systematically link the annual budget to a multi-year master financial plan.
- **Reserve Policies in Other Funds** – While the General Fund reserve is the most important for the DeSoto Parish School Board, reserves in other funds are just as important. For that reason, the funds listed in this policy shall have reserve that are restricted or committed for specific purposes.

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, 2017. This was the 27th consecutive year that the DeSoto Parish School Board has received this prestigious award. In order to be awarded a Certificate of Achievement, the School Board published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

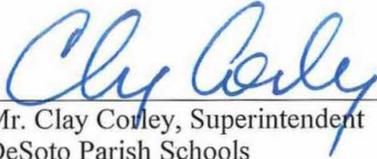
The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting Award for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the 27th consecutive year that the DeSoto Parish School Board has received this prestigious award. The award represents a significant achievement by the School Board and reflects our commitment to the highest standards of school system financial reporting.

To the Elected School Board Members and
Citizens of DeSoto Parish
December 28, 2018

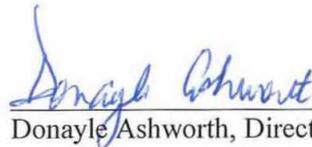
The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the certificate requirements, and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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



Mr. Clay Corley, Superintendent
DeSoto Parish Schools



Donayle Ashworth, Director of Business Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

DeSoto Parish School Board
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

DeSoto Parish School Board

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

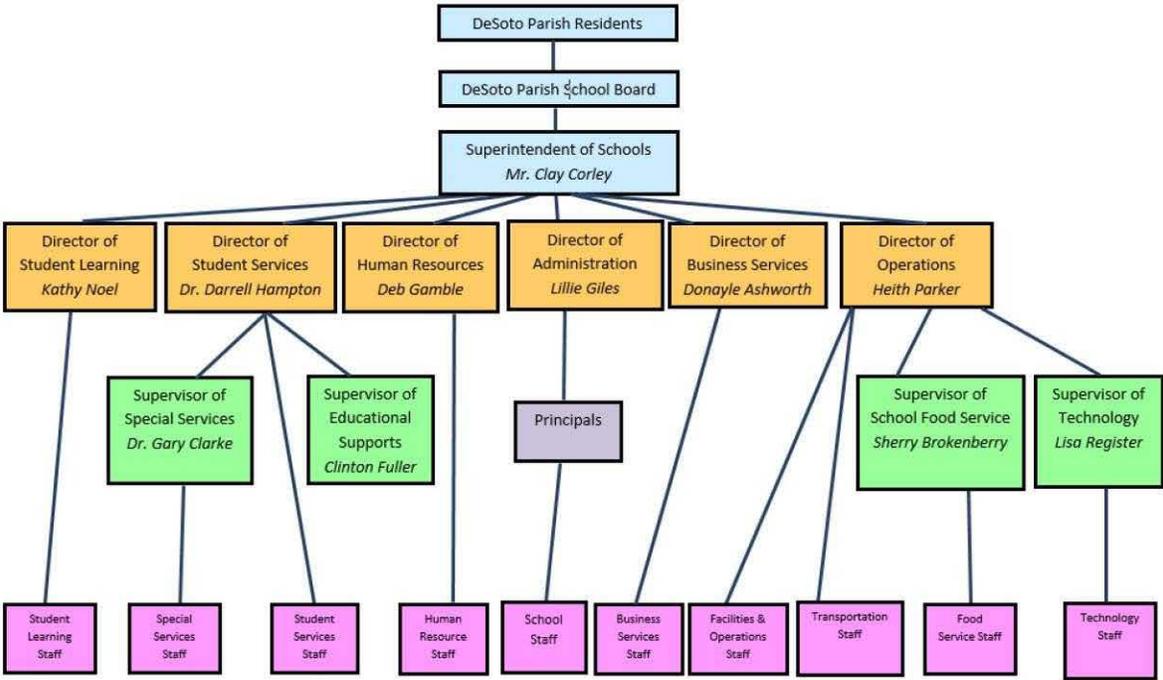
A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE
Executive Director

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Organizational Structure

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

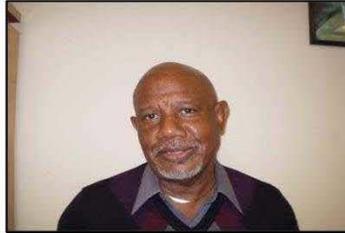


DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Elected School Board Members



President
Mr. Dudley Glenn
District No. 1



Vice President
Mr. Bobby Boyd
District No. 10



Finance Committee Chairman
Mr. Dale Morvan
District No. 7



Dr. Robert "Neil" Henderson
District No. 2



Mr. Jeffrey Dillard
District No. 3



Mr. Donald "Donnie" Dufour
District No. 4



Ms. Alice Thomas
District No. 5



Mr. James "Coday" Johnston
District No. 6



Mr. Larry "Mark" Ross
District No. 8



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



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

The term of office for Board Members is four years that began on January 1, 2015 and will end on December 31, 2018. New four year terms will be decided by voters in the fall of 2018.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

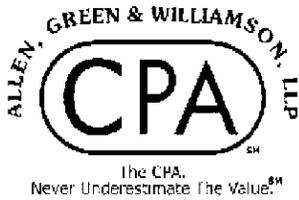
First Level Administrators

<u>Name</u>	<u>Title</u>	<u>Years Experience</u>	<u>Began as an Administrator</u>
Mr. Clay Corley	Superintendent	23	05-2018
Mrs. Donayle Ashworth	Director of Business Services	20	10-2015
Mrs. Debra Gamble	Director of Human Resources	37	08-2004
Mrs. Lillie Giles	Director of Administration	46	07-2013
Dr. Darrell Hampton	Director of Student Services	28	08-2011
Mrs. Kathy Noel	Director of Student Learning	36	07-1999
Ms. Sherry Brokenberry	Supervisor of School Food Service	42	10-2001
Dr. Gary Clarke	Supervisor of Special Services	20	08-2007
Mr. Clinton Fuller	Supervisor of Educational Supports	27	01-2008
Mrs. Lisa Register	Supervisor of Technology	30	07-2004

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

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INDEPENDENT AUDITOR'S REPORT

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the DeSoto Parish School Board, as of June 30, 2018, 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 Changes in Net OPEB Liability, Schedule of Employer Contributions for Other Post-Employment Benefit Plan, Schedule of Investment Returns for Other Post-Employment Benefit Plan, Schedule of Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, Notes to Required Supplementary Information for Pensions, the Budgetary Comparison Schedules, and the Notes to the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

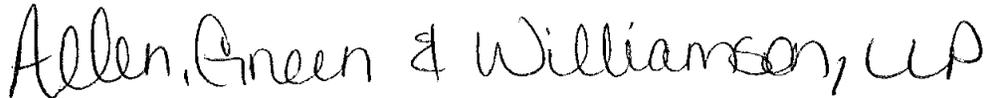
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DeSoto Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents and the other information, as listed in the table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

The accompanying supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, listed as the introductory and statistical sections in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of the DeSoto Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 28, 2018

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

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

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

We offer readers of the DeSoto Parish School Board's financial statements this narrative overview and analysis of the financial activities of the DeSoto Parish School Board for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2017-18 fiscal year include the following:

- Statement of Net Position – The liabilities and deferred inflows of the DeSoto Parish School Board exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$(17,895,783) (net position). Of this amount, unrestricted net position is a deficit of \$86,313,914 due mainly to an increase in sales tax revenue. Monthly sales tax payments leveled out to a consistently healthy amount and the School Board received one-time payments that increased the overall net position.
- Statement of Activities – The total net position of the DeSoto Parish School Board increased by \$29,483,568 for the year ended June 30, 2018, compared to the prior year decrease of net position of \$72,991,293. This increase is due to entries for early implementation of GASB No. 75 that were made in the prior year not having to be made in the current year.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the DeSoto Parish School Board's governmental funds reported a combined ending fund balance of \$62,832,276, an increase of \$15,256,051 in comparison with the prior fiscal year. This fund balance is comprised of (1) \$13,630,098 in the General Fund, (2) \$15,859,607 in the Special Revenue Funds, (3) \$30,769,434 which is committed for specific construction projects within the Capital Projects Funds, and (4) \$2,573,137 which is restricted or committed for debt service.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2018 for the governmental funds of the DeSoto Parish School Board amounted to \$99,920,264. Approximately 88.5% of this amount is received from three major revenue sources: (1) \$14,786,743 from State Source-Equalization, (2) \$42,507,875 from local ad valorem taxes, and (3) \$31,166,849 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, was \$13,630,098, or 21.2% of total General Fund expenditures. It is why approximately \$9,600,000 is committed for future claims and contingencies, equipment replacement, and specific projects, while \$4,030,098 is unassigned and available for spending at the Board's discretion.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Instructional Enhancement Fund and Parishwide Capital Project Fund. The fiduciary fund statements present financial information about activities for which the School Board acts solely as an agent for the benefit of employees, students and parents.

Comprehensive Annual Financial Report
<u>Introductory Section</u> Transmittal Letter Certificates of Excellence in Financial Reporting Organization Chart Elected Officials and Selected Administrative Officers
<u>Financial Section</u> (Details outlined in the next chart)
<u>Statistical Section</u> Financial Trends Revenue Capacity Debt Capacity Demographic and Economic Information Operating Information

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

Required Supplementary Information

Schedule of Changes in the Net OPEB Liability
Schedule of Employer Contributions for Other Post-Employment Benefit Plan
Schedule of Investment Returns for Other Post-Employment Benefit Plan
Schedule of Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Budgetary Information for Major Funds

Supplementary Information

Nonmajor Governmental Funds Combining Statements
Internal Service Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits and Other Payments to Superintendent

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, equalization funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school food service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental Funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation on Statements D and F.

Proprietary Funds - The DeSoto Parish School Board maintains three funds within the Proprietary Fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the School Board's various functions. The School Board uses an Internal Service Fund to account for the accumulation of resources for and the payment of employee medical insurance, dental insurance, and workmen's compensation by the School Board's risk management program. Because this service predominantly benefits governmental functions, it has been included with governmental activities in the government-wide financial statements.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the DeSoto Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the DeSoto Parish School Board's own programs. The School Board maintains one Other Post-Employment Benefits Trust Fund and one Agency Fund. The Trust Fund accounts for the assets held in an irrevocable trust for payment of retiree health insurance premiums. The Agency Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations.

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$(17,895,783) at June 30, 2018. Of this amount \$(86,313,914) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position
June 30,

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Current and other assets	\$ 86,057,689	\$ 65,582,815	\$ 20,474,874
Capital assets	105,261,128	104,481,375	779,753
Total assets	<u>191,318,817</u>	<u>170,064,190</u>	<u>21,254,627</u>
Deferred outflows of resources	<u>15,163,126</u>	<u>21,662,857</u>	<u>(6,499,731)</u>
Current and other liabilities	16,440,955	9,893,418	6,547,537
Long-term liabilities	191,623,211	213,027,986	(21,404,775)
Total liabilities	<u>208,064,166</u>	<u>222,921,404</u>	<u>(14,857,238)</u>
Deferred inflows of resources	<u>16,313,560</u>	<u>16,184,994</u>	<u>128,566</u>
Net position			
Net investment in capital assets	62,593,727	60,832,940	1,760,787
Restricted	5,824,404	4,171,514	1,652,890
Unrestricted	(86,313,914)	(112,383,805)	26,069,891
Total net position	<u>\$ (17,895,783)</u>	<u>\$ (47,379,351)</u>	<u>\$ 29,483,568</u>

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

The \$(86,313,914) deficit in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, net pension liability and net OPEB liability, there would be a deficit of \$(86,313,914).

The net position of the School Board had an increase of \$29,483,568 for the year, which is due primarily to an increase in sales tax revenue.

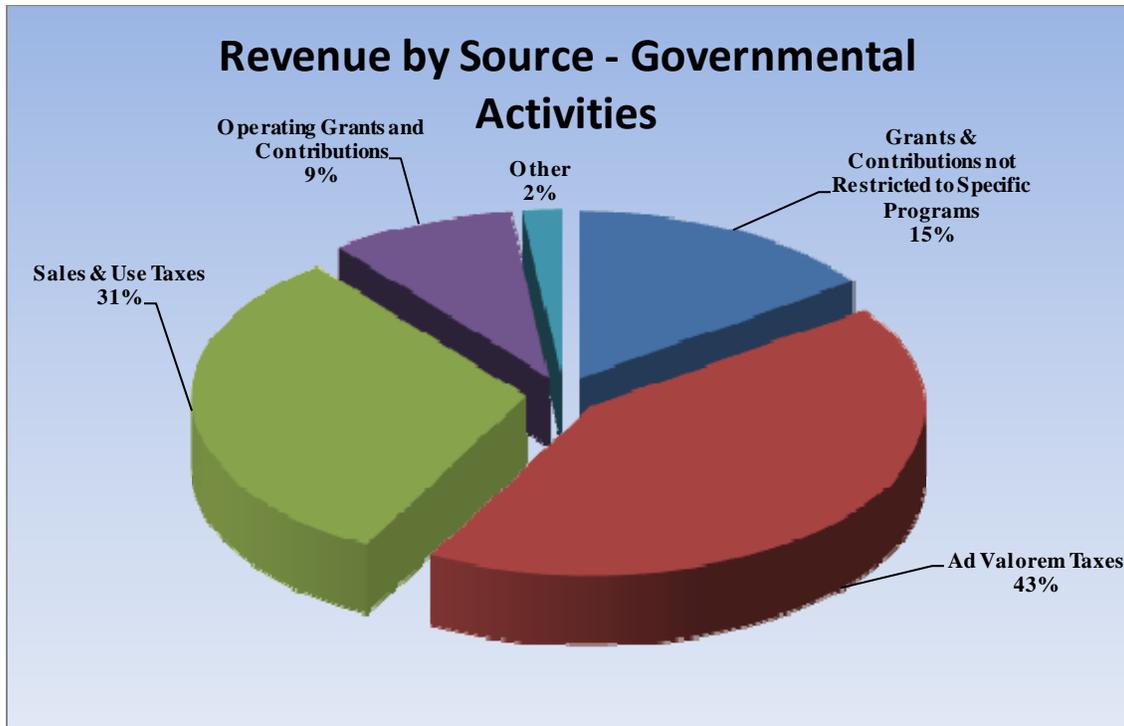
The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 below, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Table 2
Statement of Activities
For the Years Ended June 30,

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Revenues:			
Program revenues			
Charges for services	\$ 30,807	\$ 33,241	\$ (2,434)
Operating grants and contributions	8,909,514	7,970,352	939,162
General Revenues			
Ad valorem taxes	42,507,875	40,406,010	2,101,865
Sales taxes	31,166,849	20,073,391	11,093,458
Grants and contributions not restricted to specific programs	15,121,566	13,220,321	1,901,245
Other general revenues	1,894,376	1,092,513	801,863
Total revenues	<u>99,630,987</u>	<u>82,795,828</u>	<u>16,835,159</u>
Functions/Program Expenses:			
Instruction			
Regular programs	25,038,634	29,210,312	(4,171,678)
Special programs	14,185,395	16,424,279	(2,238,884)
Support services			
Pupil support services	3,478,897	4,303,240	(824,343)
Instructional staff support	2,321,314	3,034,598	(713,284)
General administration	2,628,171	2,771,476	(143,305)
School administration	3,236,273	3,841,795	(605,522)
Business services	1,008,263	1,191,003	(182,740)
Plant services	7,127,886	7,504,406	(376,520)
Student transportation services	4,875,716	5,494,783	(619,067)
Central services	412,483	476,871	(64,388)
Food Services	4,435,513	4,758,603	(323,090)
Interest on long-term debt	1,398,874	1,450,092	(51,218)
Total expenses	<u>70,147,419</u>	<u>80,461,458</u>	<u>(10,314,039)</u>
Increase (decrease) in net position	<u>29,483,568</u>	<u>2,334,370</u>	<u>27,149,198</u>
Net Position – beginning, as originally stated	(47,379,351)	25,611,942	(72,991,293)
Prior period adjustment	-	(75,325,663)	75,325,663
Net Position – beginning, restated	<u>(47,379,351)</u>	<u>(49,713,721)</u>	<u>2,334,370</u>
Net Position – ending	<u>\$ (17,895,783)</u>	<u>\$ (47,379,351)</u>	<u>\$ 29,483,568</u>

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Governmental activities - As reported in the Statement of Activities, the cost of all governmental activities this year was \$70,147,419. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$61,207,098 because some of the cost was paid by those who benefited from the program (\$30,807) or by other governments and organizations who subsidized certain programs with grants and contributions (\$8,909,514). After paying for current year expenses, net position increased \$29,483,568.



Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

In the table below we have presented the cost of each of the School Board's six largest functions regular programs, special programs, pupil support services, plant services, student transportation services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

For the Years Ended June 30,
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Regular programs	\$25,038,634	\$29,210,312	\$25,035,202	\$29,206,276
Special programs	14,185,395	16,424,279	7,880,417	10,860,264
Pupil support services	3,478,897	4,303,240	3,280,937	4,126,157
Plant services	7,127,886	7,504,406	7,127,886	7,504,406
Student transportation services	4,875,716	5,494,783	4,866,642	5,485,646
Food services	4,435,513	4,758,603	2,143,855	2,611,418
All others	11,005,378	12,765,835	10,872,159	12,663,698
Totals	<u>\$70,147,419</u>	<u>\$80,461,458</u>	<u>\$61,207,098</u>	<u>\$72,457,865</u>

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Analyzing the funds is a factor in determining whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give more insight into the School Board's overall financial health.

All funds operated are required by Board policy to have minimum reserve levels that are intended to provide the School Board with options when responding to unexpected issues and to afford a buffer against shocks and other forms of risk. The six most important purposes of these reserve policies are to help (1) plan for contingencies and unforeseen events, (2) maintain good standing with rating agencies, (3) avoid interest expense, (4) generate investment income, (5) ensure cash availability when revenue is unavailable, and (6) create a better working relationship between the School Board and staff. The key factors of the reserve levels for governmental funds are described as follows:

Major Funds:

General Fund – A minimum reserve level of 15% of total General Fund expenditures was achieved by the school system for the 24th consecutive year. When comparing the ending fund balance of \$13,630,098 to total expenditures of \$64,335,868, the actual percent was 21.2%. The general fund ended the year with an increase in fund balance of \$77,491, which is comparable to the prior year increase of \$368,493. This modest increase is due to the increase in sales tax revenue being used to fund smart boards for all classrooms, transfers to the OPEB trust, and transfers to other fund for future instructional enhancements.

Instructional Enhancement Program Fund – The Instructional Enhancement Program is a major Special Revenue Fund that is funded annually with local revenues through Earnings from Other Real Property. The Board does not have a minimum reserve requirement for this fund. The remaining fund balance of \$8,718,708 is committed by the

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Board to be used for future educational initiatives and continued funding for educational programs when State and Federal grants are no longer available or when they underfund a program. This increase is due to a year-end transfer for future TAP payouts and CTE improvements.

Parishwide Capital Project Fund – This fund has an ending fund balance of \$11,120,515. The balance is committed for future district projects. This decrease is due to more expenses than revenues generated due to construction of the Grace House alternative program.

Non-major Funds:

Special Revenue Funds – The Board operates non-major Special Revenue Funds that are restricted or committed for specific purposes. All of the funds, except for the three shown below, are grants from the federal government that will not carry a beginning or ending fund balance. Of the remaining three funds, a minimum reserve level is required for the School Food Service Fund and the Maintenance Tax Fund.

- School Food Service Fund – The School Food Service is a non-major Special Revenue Fund and is used to account for revenues and costs associated with providing nutritious meals to school children and employees. For the year ended June 30, 2018, the total ending fund balance of \$988,765 exceeded the minimum reserve requirement of 10%. The percent of the ending fund balance to total expenditures was 21.1%. The non-spendable amount of the fund balance of \$75,066 is directly tied to the inventory of food while the restricted amount of \$913,699 can be used for future expenditures in the school breakfast and lunch programs.
- Maintenance Tax Fund – The Maintenance Tax Fund is a non-major Special Revenue Fund that is funded annually with local revenues through a parish wide ad valorem property tax. This fund provides additional support for property/casualty insurance, school bus purchases, fuel for pupil transportation, utilities, maintenance, and school security. For the year ended June 30, 2018, the total ending fund balance of \$3,690,655 exceeded the minimum reserve requirement of 16.7%. The percent of the ending fund balance to total expenditures was 78.1%. An increase of \$1,081,830 in the current year brings the restricted fund balance up to \$3,690,655.
- Art Preservation Fund – The Art Preservation fund is a non-major Special Revenue Fund that is funded annually with local revenue from 16th section land leases, and was established by a one-time transfer from the general fund. The Board does not have a minimum reserve requirement for this fund. The remaining fund balance of \$2,461,479 is committed to preserve district-wide initiatives for music and art education.

Debt Service Funds – The debt service funds are used to accumulate monies for the payment of all outstanding bond issues. A separate debt service fund is set up each time a tax proposition for school construction is approved by the voters. The Board requires the reserve levels for all outstanding issues, except sales and use tax bonds, to fall between 40% and 75% of next year's principal and interest payments. This reserve requirement only applies when a tax is collected. The reserve for all Sales and Use Tax Bond issues shall be equal to 100% of the average annual debt service payments.

The debt service funds have a total fund balance of \$2,573,137 at June 30, 2018 of which \$1,587,208 is restricted and \$985,929 is committed for payment of the bonds.

Capital Projects Funds – The Board maintains capital projects funds to account for the financial resources of acquiring, constructing, improving, and equipping public school facilities. The Board requires minimum reserves of

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

3% of capital asset values for the capital project fund and specific reserves for unexpected repair and replacement needs. Remaining funds above the thresholds are available for spending.

GENERAL FUND BUDGETARY HIGHLIGHTS The original 2017-18 operating budget for the School Board was adopted on June 2, 2017 and the final budget amendment was adopted on June 26, 2018. Differences between the original budget, the final amended budget, and the actual results for the general fund are as follows:

In comparing the original budget and the final revised budget of the General Fund as shown in Exhibit 3-1, there are a few reasons for the changes between the original and final budget.

- The original budget for revenues increased by \$7,093,856 due primarily to increases in sales tax.
- The original budget for expenditures was increased by \$3,713,662 due primarily to increases in salaries and the purchase of new smart boards for all classrooms.
- Actuarial revenues were \$4,982,104 more than budgeted due primarily to receiving more in sales tax revenue than estimated (or predicted).
- Actual expenditures were \$438,841 more than budgeted expenditures due primarily to more spent in regular education.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the School Board had \$105,261,128 invested in a broad range of capital assets, including land, construction in progress, buildings, improvements other than buildings, furniture and equipment, and vehicles. This amount represents a net increase (including additions, deductions, and depreciation) of \$779,753 from last year.

	Governmental Activities		
	2018	2017	Variance
Land	\$ 3,729,784	\$ 3,729,784	\$ -
Construction in progress	1,453,592	5,662,683	(4,209,091)
Buildings	84,872,374	78,793,876	6,078,498
Improvements other than buildings	11,365,016	12,478,890	(1,113,874)
Furniture and equipment	769,213	781,910	(12,697)
Vehicles	3,071,149	3,034,232	36,917
Totals	\$ 105,261,128	\$ 104,481,375	\$ 779,753

More detail information regarding capital assets is included in Note 6 of Notes to the Basic Financial Statements.

Desoto Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Debt

At the end of the fiscal year, the School Board had \$45,310,000 in debt outstanding versus \$44,075,000 last year. The outstanding debts consisted of:

	Governmental Activities		
	2018	2017	Variance
General obligation	\$ 23,775,000	\$ 21,350,000	\$ 2,425,000
Limited tax revenue bonds	9,940,000	10,510,000	(570,000)
Sales tax bonds	11,595,000	12,215,000	(620,000)
Total	\$ 45,310,000	\$ 44,075,000	\$ 1,235,000

All outstanding bonds currently have an AA rating with Standard & Poor's. The state limits the amount of general obligation debt that can be issued to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. The School Board's net bonded general obligation debt is below the statutory-imposed limit.

We present more detailed information about our long-term liabilities in Note 12 of Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the School Board was not aware of any circumstances that could significantly have an impact on the present and future budgets of the Desoto Parish School Board.

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

DESOTO PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2018

	Statement A
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 51,061,093
Investments	28,410,133
Receivables	5,900,861
Inventory	75,066
Prepaid expenses	610,536
Capital assets:	
Land and construction in progress	5,183,376
Capital assets, net of depreciation	<u>100,077,752</u>
TOTAL ASSETS	<u>191,318,817</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to refundings	1,387,739
Deferred outflows related to OPEB	2,429,794
Deferred outflows related to pensions	<u>11,345,593</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>15,163,126</u>
LIABILITIES	
Accounts, salaries and other payables	15,968,294
Unearned revenues	105,503
Interest payable	367,158
Long-term liabilities	
Due within one year	3,586,063
Due in more than one year	<u>188,037,148</u>
TOTAL LIABILITIES	<u>208,064,166</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	2,902,405
Deferred inflows related to pensions	<u>13,411,155</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>16,313,560</u>
NET POSITION	
Net investment in capital assets	62,593,727
Restricted for:	
Debt service	1,220,050
Maintenance	3,690,655
School Food Service	913,699
Unrestricted	<u>(86,313,914)</u>
TOTAL NET POSITION	<u>\$ (17,895,783)</u>

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

DESOTO PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 25,038,634	\$ -	\$ 3,432	\$ (25,035,202)
Special programs	14,185,395	-	6,304,978	(7,880,417)
Support services:				
Pupil support services	3,478,897	-	197,960	(3,280,937)
Instructional staff support	2,321,314	-	133,219	(2,188,095)
General administration	2,628,171	-	-	(2,628,171)
School administration	3,236,273	-	-	(3,236,273)
Business services	1,008,263	-	-	(1,008,263)
Plant services	7,127,886	-	-	(7,127,886)
Student transportation services	4,875,716	-	9,074	(4,866,642)
Central services	412,483	-	-	(412,483)
Food services	4,435,513	30,807	2,260,851	(2,143,855)
Interest on long-term debt and bank charges	1,398,874	-	-	(1,398,874)
Total Governmental Activities	\$ 70,147,419	\$ 30,807	\$ 8,909,514	\$ (61,207,098)
General revenues:				
Taxes:				
Ad valorem taxes levied for general purposes				40,623,622
Ad valorem taxes levied for debt service purposes				1,884,253
Sales taxes levied for salaries, benefits and general purposes				31,166,849
Grants and contributions not restricted to specific programs:				
State revenue sharing				334,823
Minimum Foundation Program				14,786,743
Interest and investment earnings				597,746
Miscellaneous				1,296,630
Total general revenues				90,690,666
Changes in net position				29,483,568
Net position - beginning				(47,379,351)
Net position - ending				\$ (17,895,783)

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS

DESOTO PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2018**

Statement C

	GENERAL FUND	INSTRUCTIONAL ENHANCEMENT	PARISHWIDE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS					
Cash and cash equivalents	\$ 1,011,598	\$ 8,683,138	\$ 1,481,286	\$ 30,730,436	\$ 41,906,458
Investments	17,659,398	-	9,609,371	-	27,268,769
Receivables	2,642,380	38,538	29,858	2,940,257	5,651,033
Interfund receivables	1,518,184	-	-	-	1,518,184
Inventory	-	-	-	75,066	75,066
TOTAL ASSETS	22,831,560	8,721,676	11,120,515	33,745,759	76,419,510
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	9,201,462	2,968	-	2,759,117	11,963,547
Interfund payables	-	-	-	1,518,184	1,518,184
Unearned revenues	-	-	-	105,503	105,503
Total Liabilities	9,201,462	2,968	-	4,382,804	13,587,234
Fund Balances:					
Nonspendable	-	-	-	75,066	75,066
Restricted	-	-	-	6,191,562	6,191,562
Committed	9,600,000	8,718,708	11,120,515	23,096,327	52,535,550
Unassigned	4,030,098	-	-	-	4,030,098
Total Fund Balances	13,630,098	8,718,708	11,120,515	29,362,955	62,832,276
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,831,560	\$ 8,721,676	\$ 11,120,515	\$ 33,745,759	\$ 76,419,510

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

DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2018**

Statement D

Total fund balances - governmental funds \$ 62,832,276

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

Costs of capital assets	\$ 164,367,523	
Depreciation expense to date	<u>(59,106,395)</u>	105,261,128

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at June 30, 2018 are:

Long-term liabilities		
General obligation and tax revenue bonds payable	(45,310,000)	
Premium on bonds	(994,295)	
Net pension liability	(79,311,030)	
Net OPEB liability	(58,891,115)	
Compensated absences payable	(3,591,347)	
Interest payable	<u>(367,158)</u>	(188,464,945)

Deferred outflows for OPEB, refundings and pensions are not reported in the governmental funds but are reported in the government wide financial statements

Refundings	1,387,739	
OPEB	2,429,794	
Pensions	<u>11,345,593</u>	15,163,126

Deferred inflows for OPEB and pensions are not reported in the governmental funds but are reported in the government wide financial statements

OPEB	(2,902,405)	
Pensions	<u>(13,411,155)</u>	(16,313,560)

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

3,626,192

Net Position - Governmental Activities \$ (17,895,783)

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

DESOTO PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

Statement E

	GENERAL FUND	INSTRUCTIONAL ENHANCEMENT	PARISHWIDE CAPITAL PROJECT	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 34,875,542	\$ -	\$ -	\$ 7,632,333	\$ 42,507,875
Sales and use	22,593,137	-	311,668	8,262,044	31,166,849
Interest earnings	263,266	21,293	88,181	110,098	482,838
Food services	-	-	-	30,807	30,807
Other	642,026	571,493	-	487,296	1,700,815
State sources:					
Equalization	14,326,445	-	-	460,298	14,786,743
Other	297,537	-	-	619,372	916,909
Federal sources	131,469	-	-	8,195,959	8,327,428
Total Revenues	73,129,422	592,786	399,849	25,798,207	99,920,264
EXPENDITURES					
Current:					
Instruction:					
Regular programs	27,503,119	-	-	-	27,503,119
Special programs	10,422,307	-	-	5,852,918	16,275,225
Vocational programs	1,398,729	-	-	62,535	1,461,264
Support services:					
Pupil support services	4,146,737	-	-	181,291	4,328,028
Instructional staff support	2,925,778	-	-	126,845	3,052,623
General administration	2,395,037	-	3,657	456,943	2,855,637
School administration	4,185,795	-	-	-	4,185,795
Business services	1,347,184	12,938	-	-	1,360,122
Plant services	3,859,950	-	339,010	3,647,332	7,846,292
Student transportation services	5,323,528	-	-	351,766	5,675,294
Central services	486,371	-	-	-	486,371
Food services	-	-	-	4,651,976	4,651,976
Capital outlay	341,333	-	952,561	3,614,413	4,908,307
Debt service:					
Principal retirement	-	-	-	2,765,000	2,765,000
Interest and bank charges	-	-	-	1,227,115	1,227,115
Bond issuance costs	-	-	-	82,045	82,045
Total Expenditures	64,335,868	12,938	1,295,228	23,020,179	88,664,213
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 8,793,554	\$ 579,848	\$ (895,379)	\$ 2,778,028	\$ 11,256,051

(Continued)

DESOTO PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

Statement E

	<u>GENERAL FUND</u>	<u>INSTRUCTIONAL ENHANCEMENT</u>	<u>PARISHWIDE CAPITAL PROJECT</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 283,937	\$ 3,500,000	\$ 175,000	\$ 5,325,000	\$ 9,283,937
Transfers out	(9,000,000)	-	-	(283,937)	(9,283,937)
General obligation bonds issued	-	-	-	4,000,000	4,000,000
Total Other Financing Sources (Uses)	<u>(8,716,063)</u>	<u>3,500,000</u>	<u>175,000</u>	<u>9,041,063</u>	<u>4,000,000</u>
Net Change in Fund Balances	77,491	4,079,848	(720,379)	11,819,091	15,256,051
FUND BALANCES - BEGINNING	<u>13,552,607</u>	<u>4,638,860</u>	<u>11,840,894</u>	<u>17,543,864</u>	<u>47,576,225</u>
FUND BALANCES - ENDING	<u>\$ 13,630,098</u>	<u>\$ 8,718,708</u>	<u>\$ 11,120,515</u>	<u>\$ 29,362,955</u>	<u>\$ 62,832,276</u>

(Concluded)

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

DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2018**

	Statement F	
Total net change in fund balances - governmental funds	\$	15,256,051
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense for assets over the capitalization threshold. This is the amount by which capital outlay exceeds depreciation in the period:		
Capital outlay additions	\$ 4,908,307	
Depreciation expense	<u>(3,806,414)</u>	1,101,893
Loss on disposal of capital assets reduces net position in the government wide statements.		(322,140)
The issuance of long-term debt at a premium provides financial resources of governmental funds. For the government wide statements this premium is amortized over the life of the bonds.		71,122
Deferred outflows for refundings are not reported in the governmental funds but are reported in the government wide financial statements and amortized over the life of the bonds.		(104,243)
The issuance of long-term debt provides financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Receipt of bonds proceeds		(4,000,000)
Repayment of bond principal		2,765,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(67,516)
In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$496,063) exceeded the amounts earned (\$304,404) by \$191,659.		191,659
In the Statement of Activities, certain operating expenses-other post employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		8,394,568
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		7,467,542
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		<u>(1,270,368)</u>
Change in net position of governmental activities	\$	<u><u>29,483,568</u></u>

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

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Statement of Net Position

June 30, 2018

Statement G

ASSETS

Current assets:

Cash and cash equivalents	\$ 9,154,635
Investments	1,141,364
Receivables	249,828
Prepaid items	610,536

TOTAL CURRENT ASSETS 11,156,363

LIABILITIES

Current liabilities:

Accounts payable	4,004,747
Claims payable	150,000

TOTAL CURRENT LIABILITIES 4,154,747

Noncurrent liabilities:

Medical claims payable	2,978,447
Dental claims payable	161,426
Workers' compensation payable	235,551

TOTAL NONCURRENT LIABILITIES 3,375,424

TOTAL LIABILITIES 7,530,171

NET POSITION

Unrestricted	<u>\$ 3,626,192</u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Statement of Revenues, Expenses,
and Changes in Fund Net Position
For the Year Ended June 30, 2018

Statement H

OPERATING REVENUE	
Medical premiums	\$ 15,332,815
Dental premiums	756,680
Workers' compensation premiums	153,559
Medicare subsidy	187,822
	<hr/>
Total operating revenues	16,430,876
	<hr/>
OPERATING EXPENSES	
Claims	16,510,183
Administration	673,632
Insurance	632,337
	<hr/>
Total operating expenses	17,816,152
	<hr/>
Operating income (loss)	(1,385,276)
NONOPERATING REVENUES	
Earnings on investments	114,908
	<hr/>
Changes in net position	(1,270,368)
NET POSITION - BEGINNING	4,896,560
	<hr/>
NET POSITION - ENDING	\$ 3,626,192
	<hr/> <hr/>

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

DESOTO PARISH SCHOOL BOARD

PROPREITARY FUND TYPE - INTERNAL SERVICE FUNDS

Statement of Cash Flows
For the Year Ended June 30, 2018

Statement I

CASH FLOWS FROM OPERATING ACTIVITIES	
Premiums received	\$ 16,181,506
Administrative fees paid	(656,079)
Premiums paid	(660,820)
Claims paid	(14,791,860)
	<hr/>
Net cash provided (used) by operating activities	72,747
	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES	
Earnings on investments	114,908
Purchase of investments	(4,965)
	<hr/>
Net cash provided (used) for investing activities	109,943
	<hr/>
Net increase (decrease) in cash and cash equivalents	182,690
CASH AND CASH EQUIVALENTS - BEGINNING	<hr/> 8,971,945
CASH AND CASH EQUIVALENTS - ENDING	<hr/> <hr/> 9,154,635
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(1,385,276)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in receivables	(249,370)
(Increase) decrease in prepaid items	(28,483)
Increase (decrease) in accounts and claims payable	1,735,876
	<hr/>
Net cash provided (used) for operating activities	<hr/> <hr/> \$ 72,747

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

DESOTO PARISH SCHOOL BOARD

STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2018

Statement K

**OTHER POST
EMPLOYMENT
BENEFITS
TRUST FUND**

ADDITIONS

Employer contributions	\$ 9,453,949
Investment income (loss):	
Interest and dividends	1,432,544
Net increase (decrease) in fair value of investments	(1,249,664)
Less: direct investment expense	<u>(225,005)</u>
Net investment income	<u>(42,125)</u>
Total additions	<u>9,411,824</u>

DEDUCTIONS

Benefit payments	<u>4,044,890</u>
Total deductions	<u>4,044,890</u>

Net increase (decrease) in net position 5,366,934

Net position - beginning 57,832,214

Net position - ending \$ 63,199,148

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

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DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: The accompanying financial statements of the DeSoto Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates nine schools within the parish with a total enrollment exceeding 5,200 pupils. In conjunction with the regular educational programs and special education programs, some schools operate early childhood (4-year old) programs. The School Board also provides services for expelled students, homebound students, transportation to and from school, and meals for breakfast and lunch.

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

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

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

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

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

Instructional Enhancement - locally funded special revenue fund. It accounts for financial resources funding district-wide educational initiatives for pre-kindergarten through 12th grade.

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

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

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

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

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

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

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

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

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.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

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

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

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

Fund Financial Statements (FFS):

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

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

Revenues

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

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

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

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

Expenditures

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

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

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

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

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

D. BUDGETS:

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

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

Encumbrances Encumbrance accounting is employed in governmental funds. Appropriations lapse at year end, except for the encumbrances within the capital project 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 Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. The effect of budget amendments during the year for the general fund was to increase net revenues by \$7,093,856 and increase net expenditures by \$3,713,662.

E. CASH AND CASH EQUIVALENTS: Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, 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 permitted per GASB Statement No. 31:

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

Definitions:

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

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

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

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

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

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

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

K. CAPITAL ASSETS: Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The School Board maintains a threshold level of the following: \$1 (land and construction in progress), \$5,000 (equipment and vehicles), \$25,000 (land improvements), \$50,000 (building and building improvements), and \$250,000 for intangibles for capitalizing capital assets. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Buildings have been assigned a salvage value of 1% to 8%. Vehicles are assigned a salvage value of 10% to 15%. Other capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight line depreciation is used based on the following estimated useful lives:

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

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

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

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

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

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

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

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the School Board's retiree benefit plan and additions to /deductions from the plan's fiduciary net position have been determined on the same

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basis as they are reported by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

Imposed by law through constitutional provisions or enabling legislation.

Restricted net position of \$4,910,705 reported in the statement of net position is restricted through enabling legislation.

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

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

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

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

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

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

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

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

Minimum Fund Balance/Net Position: The School Board has a policy to maintain minimum fund balance in each of the funds listed below. These reserves provide the Board with additional options when responding to unexpected issues and other forms of risk.

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General Fund	A minimum fund balance equal to 15% of total General Fund annual expenditures.
Special Revenue Fund	
Maintenance Tax Fund	A minimum fund balance equal to 16.6% of total Maintenance Fund annual expenditures.
School Food Service Fund	A minimum fund balance equal to 10.0% of total School Food Service expenditures.
Debt Service Fund	When a tax is collected to retire long-term debt, the fund balance shall remain between 40% to 75% of next year's principal and interest payments for all issues except Sales and Use Tax Bonds.
	Sales and Use Tax Bonds shall be equal to 100% of the average annual debt service payments.
Capital Projects Fund	A minimum fund balance shall be equal to (a) 3% of the total capital assets for land improvements, buildings, building improvements and construction in progress located within the boundaries of each district and (b) an amount set aside annually to replace turf football fields or outdoor tracks located at various schools.
Internal Service Fund	
Group Medical	A minimum ending net position shall be equal to or greater than 2 months (16.7%) of total group medical operating expenses.
Group Dental	A minimum ending net position shall be equal to or greater than 2 months (16.7%) of total group dental operating expenses.
Workmen's Compensation	A minimum ending net position shall be equal to 75% of the "minimum loss fund" for the liability period as shown in the Board's re-insurance policy.

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

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

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

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

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

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

T. 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 does have deferred outflows related to the net pension liability and the net OPEB liability. Refer to Note 7 and Note 8 for additional information.

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 does have deferred inflows related to the net pension liability and the net OPEB liability. Refer to Note 7 and Note 8 for additional information.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2018:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 63,897,027	\$ 64,335,868	\$ (438,841)
School Service Fund	4,603,493	4,676,526	(73,033)
Parishwide Capital Project	1,068,482	1,295,228	(226,746)

The variances noted above are primarily due to adjusting entries made after year-end.

NOTE 3 - LEVIED TAXES: The School Board levies taxes on real and business personal property located within DeSoto Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the DeSoto Parish Tax Assessor and approved by the State Tax Commission. The DeSoto Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

<u>Property Tax Calendar</u>	
Assessment date	October 2, 2017
Levy date	October 2, 2017
Tax bills mailed	October 26, 2017
Due date	December 31, 2017
Lien date	January 1, 2018
Tax sale date, 2017 delinquent property	May 9, 2018

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

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

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the calendar year 2016. Total assessed value was \$719,797,208 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$41,700,737 of the assessed value in calendar year 2017.

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

The tax roll is prepared by the tax assessor and approved by the State Tax Commission in October of each year. The amount of 2017 property taxes to be collected occurs primarily in December 2017, January and February 2018. All property taxes are recorded in the general, special revenue, and debt service funds. The School Board considers the lien date (January 2018) as the date an enforceable legal claim occurs for 2017 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted). Accordingly, the 2017 property taxes are budgeted in the 2017-18 fiscal year of the School Board.

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

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

<u>Parish-wide Taxes</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Constitutional—parishwide	5.62	5.32	Not applicable
Renewable—parishwide			
Maintenance Tax	8.17	8.17	2026
Operations Tax	43.17	43.17	2026
Debt Service—separate school districts			
District No. 2—North DeSoto	Variable	3.60	2024
District No. 4—Mansfield	Variable	4.00	2031

NOTE 4 - DEPOSITS AND INVESTMENTS:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on

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deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Governmental, Proprietary, and Agency Funds

Custodial credit risk-deposits: At year-end, the School Board’s carrying amount of deposits was \$72,881,775 (including certificates of deposits of \$21,109,371) and the bank balance was \$74,428,581. These deposits are reported as follows: Statement A-cash and cash equivalents, \$51,061,093; Statement A-investments, \$21,109,371; Statement J-cash and cash equivalents, \$711,311. Of the bank balance, \$1,350,000 was covered by federal depository insurance or by collateral held by the School Board’s agent in the School Board’s name. The remaining balance was collateralized with securities held by the pledging financial institution’s trust department or agent but not in the School Board’s name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board’s policy regarding custodial credit risk is that funds on deposit shall be collateralized an amount at all times equal to 100% by pledged “approved securities” as specified by La. R.S 39:1225 as amended to adequately protect the funds of the School Board.

Interest rate risk-deposits: The School Board’s policy does not address interest rate risk.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments’ fair value measurements are as follows at June 30, 2018:

Description of investment	Fair Value	Fair Market Value Hierarchy	Credit Risk	Interest Rate Risk
U. S. Treasury bonds	\$ 1,019,237	Level 1	N/A	0-3 years
U. S. Agency bonds	6,160,623	Level 1	N/A	0-3 years
Municipal bonds	120,902	Level 1	AA (S&P)	0-3 years
Total	<u>\$ 7,300,762</u>			

Custodial credit risk-investments: The School Board’s investments of \$7,300,762 are registered in the School Board’s name and held by the trust department of a financial institution. School Board policy requires that the custodian for securities shall be a national bank, state-chartered bank or a national or state trust company. Security broker/dealers must have a minimum capital requirement of \$10,000,000 and have been in business for at least five years. These may include primary dealers or regional dealers that qualify under the Securities and Exchange Commission Rule 15C3-1.

Interest rate risk-investments: The School Board’s policy does not address interest rate risk.

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Credit rate risk-investments: The School Board’s policy does not address credit rate risk.

Other Post-Employment Benefits Trust Fund

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

Description of investment	Fair Value	Fair Market Value Hierarchy	Credit Risk	Interest Rate Risk
U. S. Treasury bonds	\$ 967,283	Level 1	N/A	1-3 years
U. S. Treasury bonds	972,241	Level 1	N/A	3-5 years
U. S. Agency bonds	1,698,624	Level 1	AA+ (S&P)	< 1 year
U. S. Agency bonds	10,551,218	Level 1	AA+ (S&P)	1-3 years
U. S. Agency bonds	2,482,719	Level 1	AA+ (S&P)	3-5 years
Corporate bonds	6,940,778	Level 1	BBB (S&P)	< 1 year
Corporate bonds	21,342,216	Level 1	BBB (S&P)	1-3 years
Corporate bonds	<u>11,786,990</u>	Level 1	BBB (S&P)	3-5 years
Total	<u>\$ 56,742,069</u>			

Custodial Credit Risk: The School Board’s policy regarding custodial credit risk is that funds on deposit shall be collateralized at all times at an amount 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 \$1,063,020 is held in a trust account.

Interest Rate Risk: The state law does not address specific policies for managing interest rate risk.

Credit Rate Risk: The credit risk of the other post-employment benefits trust fund is managed by restricting investments to those authorized by R.S. 33:5162.

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, 2018, no more than 5 percent of the other post-employment benefits trust fund’s total investments were investments in any single issuer.

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NOTE 5 - RECEIVABLES: The receivables at June 30, 2018 are as follows:

	Accounts Receivable		Intergovernmental - grants			Total
	Ad Valorem Tax	Sales Tax	Federal	State	Other	
General Fund	\$ 107,736	\$ 2,391,517	\$ 8,468	\$ 117,719	\$ 16,940	\$ 2,642,380
Instruction Enhancement Fund	-	-	-	-	38,538	38,538
Parishwide Capital Project	-	29,858	-	-	-	29,858
Nonmajor Governmental	25,164	744,267	2,006,627	52,819	111,380	2,940,257
Total Governmental	132,900	3,165,642	2,015,095	170,538	166,858	5,651,033
Internal Service Fund	-	-	-	-	249,828	249,828
Total Receivables	\$ 132,900	\$ 3,165,642	\$ 2,015,095	\$ 170,538	\$ 416,686	\$ 5,900,861

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

NOTE 6 - CAPITAL ASSETS: Capital assets balances and activity for the year ended June 30, 2018, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 3,729,784	\$ -	\$ -	\$ 3,729,784
Construction in progress	5,662,683	1,434,336	5,643,427	1,453,592
Total nondepreciable capital assets	9,392,467	1,434,336	5,643,427	5,183,376
Depreciable Capital Assets:				
Buildings	120,302,768	7,911,981	577,221	127,637,528
Land improvements	20,434,862	242,328	-	20,677,190
Furniture and equipment	2,101,246	100,814	283,589	1,918,471
Vehicles	9,274,243	862,275	1,185,560	8,950,958
Total depreciable capital assets	152,113,119	9,117,398	2,046,370	159,184,147
Less accumulated depreciation				
Buildings	41,508,892	1,688,948	432,686	42,765,154
Land improvements	7,955,972	1,356,202	-	9,312,174
Furniture and equipment	1,319,336	110,082	280,160	1,149,258
Vehicles	6,240,011	651,182	1,011,384	5,879,809
Total accumulated depreciation	57,024,211	3,806,414	1,724,230	59,106,395
Governmental activities				
Capital assets, net	\$ 104,481,375	\$ 6,745,320	\$ 5,965,567	\$ 105,261,128

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 2,804,259
Vocational programs	1,545
Instructional staff support	890
School administration	184,926
Business services	1,741
Maintenance of plant	34,665
Pupil transportation	385,476
Food service operations	389,672
Central services	3,240
Total depreciation expense	<u>\$ 3,806,414</u>

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NOTE 7 - PENSION PLANS:

The School Board is a participating employer in two statewide, public employee retirement systems, the Louisiana School Employees' Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LSERS and TRSL may be obtained at www.lasers.net and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see Optional Retirement Plan note below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

Louisiana School Employees' Retirement System: LSERS administers a plan to provide retirement, disability, and survivor's benefits to non-teacher school employees excluding those classified as lunch workers and their beneficiaries as defined in R.S. 11:1001. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1141-1153 and vary depending on the member's hire date.

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. 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, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 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 3 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 joined 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 the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 years of

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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.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of 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 January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been an active member at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. The 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 a qualified handicapped child.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

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Cost of Living Adjustments

As fully described in Title II of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrual liability.

Employer contributions to LSERS for fiscal year 2018 were \$1,206,899, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.6%. Employer defined benefit plan contributions to TRSL for fiscal year 2018 were \$8,251,170, with active member contributions of 8%, and employer contributions of 26.6%. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenue and state revenue sharing totaling \$760,121, and \$1,536 from the State for PIP salaries, and were recognized as revenue and were used as employer contributions by the School Board for fiscal year 2018.

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

At June 30, 2018, the School Board reported liabilities of \$9,421,421 and \$69,889,609 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2017, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2017, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were 1.47227%, or a decrease of .03347% for LSERS and .68173%, or a decrease of .05440% for TRSL.

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For the year ended June 30, 2018, the School Board recognized a total pension expense of \$1,990,527, or \$579,940 and \$1,410,587 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>			<u>Deferred Inflows</u>		
	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 219,699	\$ 2,297,384	\$ 2,517,083
Changes of assumptions	197,548	736,988	934,536	146,770	-	146,770
Net difference between projected and actual earnings on pension plan investments	-	-	-	147,320	1,805,122	1,952,442
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	952,988	952,988	244,352	8,550,508	8,794,860
Employer contributions subsequent to the measurement date	1,206,899	8,251,170	9,458,069	-	-	-
Total	<u>\$ 1,404,447</u>	<u>\$ 9,941,146</u>	<u>\$ 11,345,593</u>	<u>\$ 758,141</u>	<u>\$ 12,653,014</u>	<u>\$ 13,411,155</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>
2019	\$ (483,704)	\$ (5,428,171)	\$ (5,911,875)
2020	203,800	(842,819)	(639,019)
2021	62,099	(1,736,709)	(1,674,610)
2022	(342,788)	(2,955,339)	(3,298,127)

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Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years, closed period	5 years, closed period
Investment Rate of Return	7.125% per annum	7.70%, net of investment exp.
Inflation Rate	2.625% per annum	2.5% per annum
Mortality - Non-disabled	RP-2000 Sex Distinct Mortality Table	RP-2000, scale AA to 2025
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table	RP-2000
Termination, Disability, Retirement	2008-2012 experience study	2008-2012 experience study
Salary Increases	3.075% to 5.375%	3.5% - 10% varies depending on duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

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

For TRSL, the long-term expected rate of return for each plan 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 of 2.5% and an adjustment for the effect of rebalancing/diversification.

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The resulting expected date of return was 8.33% for 2017. The target allocation and best estimates of real rates of return for each major asset class are summarized for each plan in the following table:

	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>	
TRSL (arithmetic)			
Domestic equity	27.00%	4.28%	
International equity	19.00%	4.96%	
Domestic fixed income	13.00%	1.98%	
International fixed income	5.50%	2.75%	
Private equity	25.50%	8.47%	
Other private assets	10.00%	3.51%	
Total	<u>100.00%</u>		
LSERS (arithmetic)			
Fixed income	Core Fixed Income	8.00%	2.02%
	High Yield	5.00%	4.43%
	Emerging Markets Debt	7.00%	4.71%
	Global Fixed Income	10.00%	1.38%
Equity	US Equity	20.00%	6.44%
	Developed Equity	18.00%	7.40%
	Emerging Markets Equity	10.00%	9.42%
	Global REITs	3.00%	5.77%
Alternative	Private Equity	5.00%	10.47%
	Hedge Fund of Funds	3.00%	3.75%
	Real Estate	5.00%	5.00%
Real assets	Timber	2.00%	5.67%
	Oil & Gas	2.00%	10.57%
	Infrastructure	2.00%	6.25%
Total	<u>100.00%</u>		

Discount Rate. The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.70% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

The TRSL discount rate used in the June 30, 2017 net pension liability valuation was decreased from the 7.75% used in the June 30, 2016 valuation to 7.70%. The discount rate was reduced in accordance with the TRSL Board's adoption plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2018.

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Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the School Board’s proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the School Board’s proportionate share of the NPL 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
LSERS	\$ 12,915,661	\$ 9,421,421	\$ 6,420,668
TRSL	90,054,357	69,889,609	52,735,946

Pension plan fiduciary net position. Detailed information about LSERS and TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan. At June 30, 2018, the School Board had \$227,477 and \$2,155,609 as payables to LSERS and TRSL, respectively, for the June 2018 employee and employer legally required contributions.

Optional Retirement Plan

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer equal to the contribution rates established for the regular retirement plan of TRSL. However, effective July 1, 2014, the employer contribution rate for amounts credited to the ORP participants who are not employed in higher education must be the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%.

Employer ORP contributions to TRSL for fiscal year 2018 totaled \$62,783, which represents pension expense for the School Board. Employee contributions totaled \$17,685. The Active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 22.2% made to the TRSL defined benefit plan described above.

NOTE 8 - POST-EMPLOYMENT HEALTH CARE AND DENTAL INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the School Board under LRS 42:801-883. These benefits, and similar benefits for active employees, are provided through (a) the self-insured health plans for medical and dental coverage, and (b) the fully insured plans for vision and life insurance. These are single-employer defined benefit “substantive plans” as understood by past practices of the School Board and its employees. Substantially all of the School Board’s employees become eligible for these benefits if they reach normal retirement age while working for the School Board.

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Monthly premiums are paid jointly by the employee and the School Board and are based on years of service and/or date retired. The post-employment benefit plan does not issue standalone financial reports.

Funding Policy – Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Post-employment insurance plans and contribution rates are as follows:

Years of Employment	Medical		Dental		Vision	
	% Paid by		% Paid by		% Paid	
	% Paid by Retiree	School Board	% Paid by Retiree	School Board	% Paid by Retiree	by School Board
Less than 10	80	20	100	0	No Insurance	
10 to 14.99	60	40	75	25	No Insurance	
15 to 19.99	40	60	50	50	No Insurance	
20 or more (hired before 7/1/16)	15	85	25	75	0	100
20 or more (hired 7/1/16 or later)	20	80				

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

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

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

Years of Employment	Life Insurance Retired before January 1, 2010 Coverage ends at age 99			Life Insurance Retired after December 31, 2009 Coverage ends at age 80		
	Amount	Paid by Retiree	Paid by School Board	Amount	Paid by Retiree	Paid by School Board
Less than 20	No insurance	--	--	No insurance	--	--
20 to 29.99	\$5,000	0%	100%	\$5,000	0%	100%
30 or more	\$5,000	0%	100%	\$10,000	0%	100%

* Life insurance coverage for employees that retired prior to July 1, 2002 was converted to the plan shown on the left.

Plan administration – The DeSoto Parish School Board administers the DeSoto Parish School Board OPEB Plan- a single-employer defined benefit OPEB plan that provides other post-employment benefits for employees of the School Board.

Plan membership – At June 30, 2018, the OPEB plan membership consisted of the following:

	Health	Dental
Inactive employees currently receiving benefits	436	259
Inactive employees entitled to but not yet receiving benefit payments	0	0
Active plan members	603	590
Total	1,039	849

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Net OPEB Liability

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

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

The total OPEB liability was measured as of June 30, 2018, using the actuarial data as of July 1, 2016, was determined using the following actuarial assumptions:

Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market value
Discount rate	5%
Inflation	2.5% annually
Healthcare trend	Flat 5.5% annually
Salary increases	4.0% annually, including inflation
Investment return	5.0% annually, net of OPEB plan investment expense, including inflation
Retirement age	4.5 years after the earliest of: 30 years of service; attainment of age 55 and 25 years of service; or attainment of age 60 and 5 years of service
Mortality	94 GAR projected to 2002, 50% unisex blend
Turnover	Range from 18% at age 18 to 4% at age 41 and over

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Corporate Bonds	4.5-5.5%
U.S. Agency Bonds	1.0-2.0%
Cash	0.0-1.0%

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Discount Rate – Since the 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. Since the OPEB plans 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% annually has been used.

Change in the Net OPEB Liability

	Increase (Decrease)		Net OPEB Liability (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balance at June 30, 2017	\$ 120,662,306	\$ 57,832,214	\$ 62,830,092
Changes for the year:			
Service Cost	2,806,059	-	2,806,059
Interest	5,931,994	-	5,931,994
Difference between expected and actual experience	(3,265,206)	-	(3,265,206)
Contributions- employer	-	9,453,949	(9,453,949)
Net investment income	-	(42,125)	42,125
Benefit payments	(4,044,890)	(4,044,890)	-
Net Change	1,427,957	5,366,934	(3,938,977)
Balance at June 30, 2018	<u>\$ 122,090,263</u>	<u>\$ 63,199,148</u>	<u>\$ 58,891,115</u>

Contributions – Employer contributions for fiscal year ended June 30, 2018 totaled \$9,453,949. Insurance premium rates for the School Board employees are established and may be amended by the DeSoto Parish School Board. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. For fiscal year ended June 30, 2018, the health insurance premiums for active employees ranged from \$812 per month to \$2,026 per month based on the plan selected, and the health insurance premiums for retired employees ranged from \$812 per month to \$1,468 per month based on the plan selected. For fiscal year ended June 30, 2018, the dental insurance premiums for active and retired employees ranged from \$40 per month to \$120 per month based on the plan selected. Copies of the current year premiums can be found at <http://www.desotopsb.com/documents>. See funding policy section for allocation of contribution rates to employees and employers.

The components of the net OPEB liability of the DeSoto Parish School Board at June 30, 2018 was as follows:

Total OPEB liability	\$ 122,090,263
Plan fiduciary net position	(63,199,148)
Net OPEB liability	<u>\$ 58,891,115</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.76%
Covered payroll	\$ 38,190,248
Net OPEB liability as a percentage of covered payroll	154.20%

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The required Schedule of Changes in Net OPEB Liability, Schedule of Employer Contributions for Other Post-Employment Benefit Plan and Schedule of Investment Returns for Other Post-Employment Benefit Plan are included later as required supplemental information immediately following the notes.

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents 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 or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (4.0%)	Current Discount Rate (5.0%)	1.0% Increase (6.0%)
Net OPEB liability	\$ 79,860,385	\$ 58,891,115	\$ 42,139,251

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents 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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1.0% Decrease (4.5%)	Healthcare Cost Trend Rates (5.5%)	1.0% Increase (6.50%)
Net OPEB liability	\$ 41,523,664	\$ 58,891,115	\$ 80,540,941

Investments

Investment policy: The OPEB plan’s policy in regard to allocation of invested assets is established and may be amended by the DeSoto Parish School Board. The DeSoto Parish School Board has retained an investment adviser to supervise and manage the OPEB plan’s assets in accordance with Louisiana Revised Statutes, Title 33, Chapter 6, Part IV, Section 2955, as well as the limitations established by the School Board in the investment advisory agreement. The investment adviser has full power and authority to direct the investments of the OPEB plan assets, subject to the limitations referenced established by the School Board in writing.

The School Board has not adopted an asset allocation policy as of June 30, 2018; however, they have established that the overall market-weighted quality rating of the portfolio shall be no lower than A3 as measured by Moody’s, Inc., or its equivalent or better rating by Fitch or Standard & Poor’s Corporation; any investments in certificates of deposits shall be either FDIC insured or collateralized. The School Board’s management meets with the Trust’s investment advisor on an annual basis to review the asset allocation and makes any changes deemed necessary.

The following was the asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Fixed Income	100.0%

For additional information regarding the other post-employment trust fund investments as of June 30, 2018, see Note 4.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

Rate of Return – For the year ended June 30, 2018, the annual money-weighted rate of return on investment, net of investment expense, was (0.02%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$(4,349,678). At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment (gain)/loss	\$ 2,429,794	\$ -
Economic/demographic (gain)/loss	-	(2,902,405)
Total	\$ 2,429,794	\$ (2,902,405)

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

Year ended June 30:	
2019	\$ 244,648
2020	244,648
2021	244,648
2022	244,648
2023	(362,801)
Thereafter	(1,088,402)

Payable to the OPEB Plan

At June 30, 2018, the School Board had outstanding payables of \$5,394,059 to the OPEB trust fund for required contributions to the OPEB Plan.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES: The payables at June 30, 2018, are as follows:

	Salaries	Accounts	Retainage	Total
General Fund	\$ 3,253,612	\$ 5,947,850	\$ -	\$ 9,201,462
Instructional Enhancement		2,968	-	2,968
Nonmajor Governmental	838,685	1,825,201	95,231	2,759,117
Internal Service	-	4,004,747	-	4,004,747
Total Governmental	\$ 4,092,297	\$ 11,780,766	\$ 95,231	\$ 15,968,294

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

NOTE 10 - COMPENSATED ABSENCES: At June 30, 2018, employees of the School Board have accumulated and vested \$3,591,347 of employee leave benefits. These benefits were described in Note 1 (M) and were computed in accordance with GASB Codification Section C60.

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY): A summary of changes in agency fund deposits due others for the year ended June 30, 2018 is as follows:

	Balance at Beginning of year	Additions	Deletions	Balance at End of year
School Activities	\$ 662,048	\$ 2,255,206	\$ 2,205,943	\$ 711,311

NOTE 12 - LONG-TERM LIABILITIES: The following is a summary of the long-term liabilities transactions and balances for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
General obligation bonds	\$ 21,350,000	\$ 4,000,000	\$ 1,575,000	\$ 23,775,000	\$ 1,700,000
Revenue bonds	22,725,000	-	1,190,000	21,535,000	1,240,000
Premium on bonds	1,065,417	-	71,122	994,295	-
Other Liabilities:					
Net pension liability	97,758,217	-	18,447,187	79,311,030	-
Net OPEB liability	62,830,092	8,780,178	12,719,155	58,891,115	-
Claims	3,516,254	12,616,125	12,606,955	3,525,424	150,000
Compensated absences	3,783,006	304,404	496,063	3,591,347	496,063
Total Long-term liabilities	\$ 213,027,986	\$ 25,700,707	\$ 47,105,482	\$ 191,623,211	\$ 3,586,063

Payments on the general obligation, limited tax revenue and sales tax bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund and the instructional enhancement fund. The claims liability will be liquidated by the internal service funds. The net pension liability and net OPEB liability will be funded in the same manner as the corresponding salaries are charged, which is primarily paid by the General Fund.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

Long term debt at June 30, 2018 is comprised of the following issues:

	Original Amount	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
DISTRICT 1					
March 7, 2018 General Obligation Bonds	\$ 4,000,000	3.50	2038	\$ 1,654,567	\$ 4,000,000
DISTRICT 2					
May 1, 2010 Limited Tax Revenue Bonds	9,000,000	2.00	2020	49,598	820,000
May 1, 2012 Sales Tax Bonds	15,000,000	3.0-3.75	2032	3,100,504	11,595,000
May 15, 2012 Refunding bonds	5,190,000	2.59	2024	304,455	3,265,000
April 5, 2013 Refunding bonds	3,585,000	0.5-2.35	2025	221,550	2,570,000
June 16, 2017 Limited Tax Revenue Refunding Bonds	6,065,000	2.391	2030	1,097,469	6,005,000
DISTRICT 1 & 3					
September 1, 2015 Limited Tax Revenue Bonds	3,500,000	3.0-4.0	2035	1,008,774	3,115,000
DISTRICT 4					
May 6, 2015 Refunding bonds	8,190,000	2.0-3.125	2032	1,581,928	7,590,000
February 29, 2016 Refunding bonds	6,390,000	2.0-4.0	2032	1,908,950	6,350,000
Total				<u>\$ 10,927,795</u>	<u>\$ 45,310,000</u>

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

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and by sales tax collections. At June 30, 2018, the School Board had accumulated \$2,573,137 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2019	\$ 2,940,000	\$ 1,388,648	\$ 4,328,648
2020	3,110,000	1,242,875	4,352,875
2021	3,220,000	1,158,130	4,378,130
2022	3,345,000	1,076,115	4,421,115
2023	3,455,000	988,669	4,443,669
2024-2028	15,300,000	3,601,730	18,901,730
2029-2033	12,170,000	1,330,701	13,500,701
2034-2038	1,770,000	140,927	1,910,927
Total	<u>\$ 45,310,000</u>	<u>\$ 10,927,795</u>	<u>\$ 56,237,795</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2018, the statutory limit is \$251,929,023 and outstanding net bonded debt totals \$23,418,708.

**DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018**

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, 2018, \$5,610,000 of bonds outstanding are considered defeased.

Pledged Revenues:

Ad Valorem Tax Pledged Revenues: The District 2, May 1, 2010 and June 16, 2017, and Districts 1 & 3 September 1, 2015 limited tax revenue bonds are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the School Board from the levy and collection of a parish-wide constitutional ad valorem tax.

The original bond issuance was \$9,000,000 for the May 1, 2010 issue, \$6,065,000 for the June 16, 2017 issue, and \$3,500,000 for the September 1, 2015 issue. The 2010 and 2015 bonds were issued for the purpose of acquiring, constructing, improving, equipping, and furnishing school buildings and other school related facilities and paying the cost of issuing the bonds. The 2017 bonds were issued for the purpose of refunding the 2010 bonds. The 2010 bonds are payable through 2020, the 2015 bonds are payable through 2035, and the 2017 bonds are payable through 2030. The School Board has a balance of \$374,350 in debt service funds for the payment of the bonds. Total principal and interest remaining to be paid is \$869,598 on the 2010 issue, \$4,123,774 on the 2015 issue, and \$7,102,469 on the 2017 issue. For the year ended June 30, 2018, the School Board received \$3,733,152 from the collection of the constitutional ad valorem tax and paid \$570,000 in bond principal and \$263,169 in debt service interest. The annual required principal and interest payments are estimated to be 19.1% over the next 17 years.

Sales Tax Pledged Revenues: The District 2 May 1, 2012 sales tax bonds are payable from and secured by an irrevocable pledge and dedication of the ½ cent sales and use tax authorized at elections held on October 4, 2008. The purpose of the \$15,000,000 bond issuance is for supporting, operating, and maintaining the public school system and school facilities of the parish, including, but not limited to, air conditioning school buildings located within the parish and making capital improvements thereto, including constructing, acquiring, erecting, improving and repairing school buildings and related facilities, with the proceeds of the tax to be subject to being funded into bonds for said purposes.

The bonds are payable through 2032. The School Board has a balance of \$1,039,411 in a debt service fund for payment of the bonds. Total principal and interest remaining to be paid on the bonds is \$11,595,000 and \$3,100,504, respectively. For the year ended June 30, 2018, the School Board received \$1,053,444 from the collection of the sales tax and paid \$620,000 in bond principal and \$391,510 in debt service interest. The annual required principal and interest payments are estimated to be 99.6% of the tax revenues through 2032 when the bonds will be paid off.

NOTE 13 - INTERFUND ASSETS/ LIABILITIES (FFS LEVEL ONLY): Assets/Liabilities at June 30, 2018 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Amount
General Fund	Nonmajor Governmental	\$ 1,518,184

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

NOTE 14 - INTERFUND TRANSFERS (FFS LEVEL ONLY): Transfers for the year ended June 30, 2018, were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General Fund	\$ 283,937	\$ 9,000,000
Instructional Enhancement	3,500,000	-
Parishwide Capital Project Fund	175,000	-
Nonmajor Governmental	5,325,000	283,937
Totals	<u>\$ 9,283,937</u>	<u>\$ 9,283,937</u>

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

NOTE 15 - ENCUMBRANCES (FFS LEVEL ONLY): Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are carried forward to the next year. At June 30, 2018, the School Board had entered into purchase orders and commitments as follows:

<u>Fund</u>	<u>Amount</u>
Capital Project	
School District No. 1	\$ 2,469,534
School District No. 2	209,948
School District No. 3	5,000
School District No. 4	204,911
Total	<u>\$ 2,889,393</u>

NOTE 16 - RISK MANAGEMENT: The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred, and no claims exceeded the School Board's insurance coverage for each of the past three years.

The School Board is partially self-insured for medical, dental and workers' compensation insurance coverage. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company under its medical plan (a) for individual claims in excess of \$225,000, (b) an aggregating specific claim of \$400,000, and (c) for total medical claims in excess of 125% of expected claims or \$14,010,016 for fiscal year 2017-18. The School Board maintains stop-loss coverage with an insurance company under its workers' compensation plan for individual claims in excess of \$450,000 and for total claims that exceed \$1,000,000 in a three year period.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

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

Worker's Compensation

	Beginning of Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	End of Year Liability
2015-2016	\$ 235,551	\$ 7,698	\$ 7,698	\$ 235,551
2016-2017	235,551	19,699	19,699	235,551
2017-2018	235,551	78,741	78,741	235,551

Health & Dental Insurance

	Beginning of Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	End of Year Liability
2015-2016	\$ 3,268,917	\$ 11,839,673	\$ 11,830,907	\$ 3,277,683
2016-2017	3,277,683	13,156,144	13,153,124	3,280,703
2017-2018	3,280,703	12,537,384	12,528,214	3,289,873

NOTE 17 - LITIGATION AND CLAIMS:

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

Other Contingency: The DeSoto Parish Sales and Use Tax Commission entered into a settlement agreement in February 2016 with a vendor granting the vendor a credit of \$4,992,807. The balance of this credit was \$3,352,622 after the sales tax return for June 2018 was filed. This credit will reduce future sales tax revenue, a portion of which would belong to the School Board.

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

Construction in Progress: Major ongoing construction projects include field house and football field lights at a high school, air conditioner upgrade at a high school, walkway covers at an elementary school and classroom renovations at a high school. See note 15 for additional information on contracts outstanding.

NOTE 18 - 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 \$1,536. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

The Parish Tax Collector makes pension contributions to the Teacher’s Retirement System of Louisiana on behalf of the School Board. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher’s retirement. The basis for recognizing the revenues and expenditures is the actual contributions made by the Tax Collector’s office. For the 2018 fiscal year, the Tax Collector paid the Teachers’ Retirement System of Louisiana \$760,121 on behalf of the School Board. The amount was recognized as ad valorem revenue and a reduction in the School Board’s required contributions.

NOTE 19 - JOINTLY GOVERNED ORGANIZATION: The DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with the joint agreement of the agencies. Sales taxes of \$31,166,849 were collected by the Commission and distributed to the School Board.

NOTE 20 - FUND BALANCE CLASSIFICATION DETAILS: The following are details of the fund balance for all governmental funds as of June 30, 2018.

	<u>General Fund</u>	<u>Instructional Enhancement</u>	<u>Parishwide Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Non spendable:					
Inventory and prepaid items	\$ -	\$ -	\$ -	\$ 75,066	\$ 75,066
Restricted for:					
School maintenance	-	-	-	3,690,655	3,690,655
School food service	-	-	-	913,699	913,699
Debt service	-	-	-	1,587,208	1,587,208
Committed to:					
Salaries and benefits for art instructors and supplies	-	-	-	2,461,479	2,461,479
Property and casualty deductible	1,100,000	-	-	-	1,100,000
Sick and annual leave pay	2,000,000	-	-	-	2,000,000
General liability insurance deductible	1,000,000	-	-	-	1,000,000
Catastrophic reserve	5,500,000	-	-	-	5,500,000
School construction	-	-	11,120,515	19,648,919	30,769,434
Educational initiatives	-	8,718,708	-	-	8,718,708
Debt service	-	-	-	985,929	985,929
Unassigned	4,030,098	-	-	-	4,030,098
Total	<u>\$13,630,098</u>	<u>\$ 8,718,708</u>	<u>\$ 11,120,515</u>	<u>\$ 29,362,955</u>	<u>\$ 62,832,276</u>

School Board policy requires a minimum fund balance in the general fund of 15% of expenditures. The minimum was met for the year. The catastrophic reserve committed fund balance does not meet all of the requirements to be classified as a stabilization arrangement.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2018

NOTE 21 - TAX ABATEMENTS: The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2018 by authorized millage is as follows:

Tax Code	Taxable Value	Taxpayer Exemption
Parishwide constitutional and maintenance	\$ 92,829,509	\$ 5,259,720
Debt Service - District No. 2 North DeSoto	25,713,161	92,567
Debt Service - District No. 4 Mansfield	52,962,568	211,850
		\$ 5,564,137

NOTE 22 - CHANGE IN PRESENTATION: For fiscal year ended June 30, 2017, the General Fund and the Parishwide Capital Projects fund were presented as major funds. However, for fiscal year ended June 30, 2018, the General Fund, Instructional Enhancement fund and Parishwide Capital Project fund were presented as major. The Instructional Enhancement fund was required to be major due to the amount of the assets.

**DeSoto Parish School Board
Mansfield, Louisiana**

**REQUIRED SUPPLEMENTARY
INFORMATION**

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 1-1

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE EYAR ENDED JUNE 30, 2018**

	2018	2017
Total OPEB Liability		
Service cost	\$ 2,806,059	\$ 3,005,583
Interest	5,931,994	5,974,296
Difference between expected and actual experience	(3,265,206)	(7,803,491)
Benefit payments	(4,044,890)	-
Net change in total OPEB liability	1,427,957	1,176,388
Total OPEB liability- beginning	120,662,306	119,485,918
Total OPEB liability- ending (a)	\$ 122,090,263	\$ 120,662,306
Plan fiduciary net position		
Contributions- employer	9,453,949	8,043,908
Net investment income	(42,125)	159,999
Benefit payments	(4,044,890)	(3,842,372)
Administrative expense	-	(4,076)
Net change in plan fiduciary net position	5,366,934	4,357,459
Plan fiduciary net position- beginning	57,832,214	53,474,755
Plan fiduciary net position- ending (b)	\$ 63,199,148	\$ 57,832,214
Net OPEB liability (asset)- ending (a) - (b)	58,891,115	62,830,092
Plan fiduciary net position as a percentage of the total OPEB liability	51.76%	47.93%
Covered payroll	38,190,248	37,589,303
Net OPEB liability as a percentage of covered payroll	154.20%	167.15%

Note:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 1-2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER
POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2018**

Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017	\$ 7,772,748	\$ 8,043,908	\$ (271,160)	\$ 37,589,303	21.40%
2018	6,893,247	9,453,949	(2,560,702)	38,190,248	24.75%

Valuation date	7/1/2016, Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Discount rate	5%
Inflation	2.5% annually
Healthcare trend	Flat 5.5% annually
Salary increases	4.0% annually
Investment return	5.0% annually
Retirement age	4.5 years after the earliest of: 30 years of service; attainment of age 55 and 25 years of service; or, attainment of age 60 and 5 years of service
Mortality	94 GAR projected to 2002, 50% unisex blend
Turnover	Range from 18% at age 18 to 4% at age 41 and over

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 1-3

**SCHEDULE OF INVESTMENT RETURNS FOR
OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2018**

<u>Fiscal Year</u>	<u>Annual money- weighted rate of return, net of investment expense</u>
2017	0.29%
2018	-0.02%

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 2-1

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2018**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	1.59638%	\$ 9,269,319	\$ 4,474,908	207%	76.18%
2016	1.54267%	9,782,468	4,338,249	225%	74.49%
2017	1.50574%	11,358,501	4,276,795	266%	70.09%
2018	1.47227%	9,421,421	4,214,601	224%	75.03%
Teacher's Retirement System of Louisiana					
2015	0.76352%	\$ 78,042,711	\$ 33,097,854	236%	63.7%
2016	0.74744%	80,366,794	34,014,262	236%	62.5%
2017	0.73613%	86,399,716	32,784,570	264%	59.9%
2018	0.68173%	69,889,609	30,814,796	227%	65.6%

Notes:

The amounts presented have a measurement date of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 2-2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLANS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 1,431,611	\$ 1,431,611	\$ -	\$ 4,338,249	33.0%
2016	1,291,626	1,291,626	-	4,276,795	30.2%
2017	1,150,586	1,150,586	-	4,214,601	27.3%
2018	1,206,899	1,206,899	-	4,372,822	27.6%
Teacher's Retirement System of Louisiana					
2015	\$ 9,550,556	\$ 9,550,556	\$ -	\$ 34,014,262	28.1%
2016	9,008,705	9,008,705	-	32,784,570	27.5%
2017	8,233,375	8,233,375	-	30,814,796	26.7%
2018	8,251,170	8,251,170	-	31,019,437	26.6%

Notes:

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**DeSoto Parish School Board
Mansfield, Louisiana**

Notes to Required Supplementary Information for Pensions

Louisiana School Employees' Retirement System:

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after June 30, 2010.

Changes in assumptions: For amounts reported in 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. In addition, the valuation model was revised. The long-term expected portfolio real rate of return (expected arithmetic nominal return) was increased .77% in 2016 to 8.30% from the rate of 7.53% used in the 2015 valuation.

For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 regular session of the legislature, beginning with the June 30, 2016 actuarial evaluation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contributions for the System. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. With this change, the valuation of plan liabilities based on a valuation interest rate set for .25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016 actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

Teacher's Retirement System of Louisiana:

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011.

Changes in assumptions: Amounts reported in 2017 and earlier were valued using a discount rate of 7.75%. For 2018, the discount rate was decreased from 7.75% to 7.70%.

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

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

INSTRUCTIONAL ENHANCEMENT: This special revenue fund accounts for financial resources funding district-wide educational initiatives for pre-kindergarten through 12th grade.

DESOTO PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2018**

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 32,843,400	\$ 34,751,823	\$ 34,875,542	\$ 123,719
Sales and use	12,091,750	17,200,000	22,593,137	5,393,137
Interest earnings	355,615	79,221	263,266	184,045
Other	1,088,765	1,365,159	642,026	(723,133)
State sources:				
Equalization	14,119,085	14,322,545	14,326,445	3,900
Other	419,748	293,471	297,537	4,066
Federal sources	135,099	135,099	131,469	(3,630)
Total Revenues	61,053,462	68,147,318	73,129,422	4,982,104
EXPENDITURES				
Current:				
Instruction:				
Regular programs	25,608,432	27,837,068	27,503,119	333,949
Special programs	9,683,682	9,929,987	10,422,307	(492,320)
Vocational programs	1,385,339	1,452,082	1,398,729	53,353
Support services:				
Pupil support services	4,304,399	4,524,723	4,146,737	377,986
Instructional staff support	3,732,635	3,780,203	2,925,778	854,425
General administration	2,314,443	2,451,386	2,395,037	56,349
School administration	3,933,237	4,204,704	4,185,795	18,909
Business services	1,295,167	1,380,840	1,347,184	33,656
Plant services	3,118,508	3,264,626	3,859,950	(595,324)
Student transportation services	4,331,193	4,570,455	5,323,528	(753,073)
Central services	476,330	500,953	486,371	14,582
Capital outlay	-	-	341,333	(341,333)
Total Expenditures	60,183,365	63,897,027	64,335,868	(438,841)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 870,097	\$ 4,250,291	\$ 8,793,554	\$ 4,543,263

(CONTINUED)

DESOTO PARISH SCHOOL BOARD

GENERAL FUND
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2018

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,230,000	\$ 230,000	\$ 283,937	\$ 53,937
Transfers out	(380,000)	(4,318,907)	(9,000,000)	(4,681,093)
Total Other Financing Sources (Uses)	850,000	(4,088,907)	(8,716,063)	(4,627,156)
Net Change in Fund Balance	1,720,097	161,384	77,491	(83,893)
FUND BALANCE- BEGINNING	14,133,727	13,552,607	13,552,607	-
FUND BALANCE - ENDING	\$ 15,853,824	\$ 13,713,991	\$ 13,630,098	\$ (83,893)

(CONCLUDED)

DESOTO PARISH SCHOOL BOARD

INSTRUCTIONAL ENHANCEMENT
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

Exhibit 3-2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Interest earnings	\$ 8,380	\$ 17,130	\$ 21,293	\$ 4,163
Other	28,269	500,000	571,493	71,493
Total Revenues	36,649	517,130	592,786	75,656
EXPENDITURES				
Current:				
Instruction:				
Special programs	182,793	142,290	-	142,290
Support services:				
Business services	1,695	6,715	12,938	(6,223)
Total Expenditures	184,488	149,005	12,938	136,067
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(147,839)	368,125	579,848	211,723
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,500,000	3,500,000
Total Other Financing Sources (Uses)	-	-	3,500,000	3,500,000
Net change in fund balance	(147,839)	368,125	4,079,848	3,711,723
FUND BALANCES - BEGINNING	1,888,337	4,638,860	4,638,860	-
FUND BALANCES - ENDING	\$ 1,740,498	\$ 5,006,985	\$ 8,718,708	\$ 3,711,723

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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**DeSoto Parish School Board
Mansfield, Louisiana**

SUPPLEMENTARY INFORMATION

**DeSoto Parish School Board
Mansfield, Louisiana**

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

DESOTO PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2018

Exhibit 4

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 7,729,903	\$ 2,565,755	\$ 20,434,778	\$ 30,730,436
Receivables	2,363,532	8,574	568,151	2,940,257
Inventory	75,066	-	-	75,066
TOTAL ASSETS	<u>10,168,501</u>	<u>2,574,329</u>	<u>21,002,929</u>	<u>33,745,759</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,403,915	1,192	1,354,010	2,759,117
Interfund payables	1,518,184	-	-	1,518,184
Unearned revenues	105,503	-	-	105,503
Total Liabilities	<u>3,027,602</u>	<u>1,192</u>	<u>1,354,010</u>	<u>4,382,804</u>
Fund Balances:				
Nonspendable	75,066	-	-	75,066
Restricted	4,604,354	1,587,208	-	6,191,562
Committed	2,461,479	985,929	19,648,919	23,096,327
Total Fund Balances	<u>7,140,899</u>	<u>2,573,137</u>	<u>19,648,919</u>	<u>29,362,955</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,168,501</u>	<u>\$ 2,574,329</u>	<u>\$ 21,002,929</u>	<u>\$ 33,745,759</u>

DESOTO PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2018**

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 5,747,999	\$ 1,884,253	\$ 81	\$ 7,632,333
Sales and use	2,340,342	2,456,759	3,464,943	8,262,044
Interest earnings	20,557	23,251	66,290	110,098
Food services	30,807	-	-	30,807
Other	458,845	8,451	20,000	487,296
State sources:				
Equalization	460,298	-	-	460,298
Other	619,372	-	-	619,372
Federal sources	8,195,959	-	-	8,195,959
 Total Revenues	 <u>17,874,179</u>	 <u>4,372,714</u>	 <u>3,551,314</u>	 <u>25,798,207</u>
 EXPENDITURES				
Current:				
Instruction:				
Special programs	5,852,918	-	-	5,852,918
Vocational programs	62,535	-	-	62,535
Support services:				
Pupil support services	181,291	-	-	181,291
Instructional staff support	126,845	-	-	126,845
General administration	312,948	103,341	40,654	456,943
Plant services	3,293,176	-	354,156	3,647,332
Student transportation services	351,766	-	-	351,766
Food services	4,651,976	-	-	4,651,976
Capital outlay	793,873	-	2,820,540	3,614,413
Debt service:				
Principal retirement	-	2,765,000	-	2,765,000
Interest and bank charges	-	1,227,115	-	1,227,115
Bond issuance costs	-	-	82,045	82,045
 Total Expenditures	 <u>15,627,328</u>	 <u>4,095,456</u>	 <u>3,297,395</u>	 <u>23,020,179</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ 2,246,851</u>	 <u>\$ 277,258</u>	 <u>\$ 253,919</u>	 <u>\$ 2,778,028</u>

(Continued)

DESOTO PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2018**

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,000,000	\$ -	\$ 3,325,000	\$ 5,325,000
Transfers out	(283,937)	-	-	(283,937)
General obligation bonds issued	-	-	4,000,000	4,000,000
Total Other Financing Sources (Uses)	<u>1,716,063</u>	<u>-</u>	<u>7,325,000</u>	<u>9,041,063</u>
Net Change in Fund Balances	3,962,914	277,258	7,578,919	11,819,091
FUND BALANCES - BEGINNING	<u>3,177,985</u>	<u>2,295,879</u>	<u>12,070,000</u>	<u>17,543,864</u>
FUND BALANCES - ENDING	<u>\$ 7,140,899</u>	<u>\$ 2,573,137</u>	<u>\$ 19,648,919</u>	<u>\$ 29,362,955</u>

(Concluded)

**DeSoto Parish School Board
Mansfield, Louisiana
Non Major Special Revenue Funds**

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

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

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

SPECIAL EDUCATION: To assist in providing a free, appropriate education to all children with disabilities.

TITLE IV A-SSAE: To provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to improve the academic achievement and digital literacy of all students.

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

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

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

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

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

SCHOOL IMPROVEMENT: A federally funded program that is used for professional development to enhance academic support for low achieving students.

STRIVING READERS: To advance literacy skills, including pre-literacy skills, reading and writing for students from birth through 12th grade, including limited-English-proficient students and students with disabilities.

HOMELESS ASSISTANCE: A program to ensure that homeless children have access to free, appropriate education.

**DeSoto Parish School Board
Mansfield, Louisiana
Non Major Special Revenue Funds**

EDUCATIONAL EXCELLENCE: This program is funded through the disposition of proceeds from the tobacco settlement and is used to support excellence in educational practices.

RURAL EDUCATION: To assist rural school districts that serve concentrations of children from low-income families to improve the quality of instruction and student achievement.

ART PRESERVATION: This funding is to preserve district-wide initiatives for music and art education.

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2018

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY - TITLE II	MAINTENANCE TAX	SPECIAL EDUCATION
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 4,160,066	\$ -
Receivables	732,304	73,223	19,275	438,577
Inventory	-	-	-	-
TOTAL ASSETS	732,304	73,223	4,179,341	438,577
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	175,763	2,922	488,686	109,201
Interfund payables	556,541	70,301	-	329,376
Unearned revenues	-	-	-	-
Total Liabilities	732,304	73,223	488,686	438,577
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	3,690,655	-
Committed	-	-	-	-
Total Fund Balances	-	-	3,690,655	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 732,304	\$ 73,223	\$ 4,179,341	\$ 438,577

Exhibit 6

TITLE IV A-SSAE	TEACHER INCENTIVE	JOBS FOR AMERICA'S GRADUATES	SCHOOL FOOD SERVICE	CARL PERKINS
\$ -	\$ -	\$ -	\$ 1,036,753	\$ -
18,497	461,507	7,685	185,706	23,412
-	-	-	75,066	-
<u>18,497</u>	<u>461,507</u>	<u>7,685</u>	<u>1,297,525</u>	<u>23,412</u>
-	123,855	3,896	308,760	5,094
18,497	337,652	3,789	-	18,318
-	-	-	-	-
<u>18,497</u>	<u>461,507</u>	<u>7,685</u>	<u>308,760</u>	<u>23,412</u>
-	-	-	75,066	-
-	-	-	913,699	-
-	-	-	-	-
-	-	-	988,765	-
<u>\$ 18,497</u>	<u>\$ 461,507</u>	<u>\$ 7,685</u>	<u>\$ 1,297,525</u>	<u>\$ 23,412</u>

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2018

	EARLY CHILDHOOD DEVELOPMENT	SCHOOL IMPROVEMENT	STRIVING READERS	HOMELESS ASSISTANCE
ASSETS				
Cash and cash equivalents	\$ 4,252	\$ -	\$ -	\$ -
Receivables	222,269	10,275	-	548
Inventory	-	-	-	-
TOTAL ASSETS	226,521	10,275	-	548
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	104,766	-	-	-
Interfund payables	121,755	10,275	-	548
Unearned revenues	-	-	-	-
Total Liabilities	226,521	10,275	-	548
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total Fund Balances	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 226,521	\$ 10,275	\$ -	\$ 548

Exhibit 6

<u>EDUCATIONAL EXCELLENCE</u>	<u>RURAL EDUCATION</u>	<u>ART PRESERVATION</u>	<u>TOTAL</u>
\$ 176,559	\$ -	\$ 2,352,273	\$ 7,729,903
-	61,048	109,206	2,363,532
-	-	-	75,066
<u>176,559</u>	<u>61,048</u>	<u>2,461,479</u>	<u>10,168,501</u>
71,056	9,916	-	1,403,915
-	51,132	-	1,518,184
<u>105,503</u>	<u>-</u>	<u>-</u>	<u>105,503</u>
<u>176,559</u>	<u>61,048</u>	<u>-</u>	<u>3,027,602</u>
-	-	-	75,066
-	-	-	4,604,354
-	-	<u>2,461,479</u>	<u>2,461,479</u>
-	-	<u>2,461,479</u>	<u>7,140,899</u>
<u>\$ 176,559</u>	<u>\$ 61,048</u>	<u>\$ 2,461,479</u>	<u>\$ 10,168,501</u>

(Concluded)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY - TITLE II	MAINTENANCE TAX	SPECIAL EDUCATION
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ 5,747,999	\$ -
Sales and use	-	-	-	-
Interest earnings	-	-	14,090	-
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	48,279	-
Federal sources	2,091,459	224,686	-	1,248,474
Total Revenues	2,091,459	224,686	5,810,368	1,248,474
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,913,897	210,249	9,966	897,596
Vocational programs	-	-	-	-
Support services:				
Pupil support services	8,036	-	-	173,255
Instructional staff support	35,145	-	-	91,700
General administration	-	-	312,948	-
Plant services	-	-	3,293,176	-
Student transportation services	-	-	343,125	8,641
Food services	-	-	-	-
Capital outlay	-	-	769,323	-
Total Expenditures	1,957,078	210,249	4,728,538	1,171,192
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 134,381	\$ 14,437	\$ 1,081,830	\$ 77,282

Exhibit 7

TITLE IV A-SSAE	TEACHER INCENTIVE	JOBS FOR AMERICA'S GRADUATES	SCHOOL FOOD SERVICE	CARL PERKINS
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	2,340,342	-
-	-	-	3,143	-
-	-	-	30,807	-
-	-	-	690	-
-	-	-	460,298	-
-	-	-	-	-
18,497	1,326,693	18,349	2,260,851	62,535
18,497	1,326,693	18,349	5,096,131	62,535
17,309	1,326,693	18,127	-	-
-	-	-	-	62,535
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,651,976	-
-	-	-	24,550	-
17,309	1,326,693	18,127	4,676,526	62,535
\$ 1,188	\$ -	\$ 222	\$ 419,605	\$ -

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018

	EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I	IMPROVING TEACHER QUALITY - TITLE II	MAINTENANCE TAX	SPECIAL EDUCATION
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	<u>(134,381)</u>	<u>(14,437)</u>	<u>-</u>	<u>(77,282)</u>
Total Other Financing Sources (Uses)	<u>(134,381)</u>	<u>(14,437)</u>	<u>-</u>	<u>(77,282)</u>
Net Change in Fund Balance	-	-	1,081,830	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>2,608,825</u>	<u>-</u>
FUND BALANCES - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,690,655</u></u>	<u><u>\$ -</u></u>

Exhibit 7

TITLE IV A-SSAE	TEACHER INCENTIVE	JOBS FOR AMERICA'S GRADUATES	SCHOOL FOOD SERVICE	CARL PERKINS
\$ -	\$ -	\$ -	\$ -	\$ -
(1,188)	-	(222)	-	-
(1,188)	-	(222)	-	-
-	-	-	419,605	-
-	-	-	569,160	-
\$ -	\$ -	\$ -	\$ 988,765	\$ -

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018

	EARLY CHILDHOOD DEVELOPMENT	SCHOOL IMPROVEMENT	STRIVING READERS	HOMELESS ASSISTANCE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	471,484	-	-	-
Federal sources	475,804	41,500	339,414	548
Total Revenues	947,288	41,500	339,414	548
EXPENDITURES				
Current:				
Instruction:				
Special programs	916,974	41,500	318,935	513
Vocational programs	-	-	-	-
Support services:				
Pupil support services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	916,974	41,500	318,935	513
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 30,314	\$ -	\$ 20,479	\$ 35

Exhibit 7

<u>EDUCATIONAL EXCELLENCE</u>	<u>RURAL EDUCATION</u>	<u>ART PRESERVATION</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 5,747,999
-	-	-	2,340,342
-	-	3,324	20,557
-	-	-	30,807
-	-	458,155	458,845
-	-	-	460,298
99,609	-	-	619,372
-	87,149	-	8,195,959
<u>99,609</u>	<u>87,149</u>	<u>461,479</u>	<u>17,874,179</u>
99,609	81,550	-	5,852,918
-	-	-	62,535
-	-	-	181,291
-	-	-	126,845
-	-	-	312,948
-	-	-	3,293,176
-	-	-	351,766
-	-	-	4,651,976
-	-	-	793,873
<u>99,609</u>	<u>81,550</u>	<u>-</u>	<u>15,627,328</u>
<u>\$ -</u>	<u>\$ 5,599</u>	<u>\$ 461,479</u>	<u>\$ 2,246,851</u>

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018

	<u>EARLY CHILDHOOD DEVELOPMENT</u>	<u>SCHOOL IMPROVEMENT</u>	<u>STRIVING READERS</u>	<u>HOMELESS ASSISTANCE</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	<u>(30,314)</u>	<u>-</u>	<u>(20,479)</u>	<u>(35)</u>
Total Other Financing Sources (Uses)	<u>(30,314)</u>	<u>-</u>	<u>(20,479)</u>	<u>(35)</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Exhibit 7

<u>EDUCATIONAL EXCELLENCE</u>	<u>RURAL EDUCATION</u>	<u>ART PRESERVATION</u>	<u>TOTAL</u>
\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
-	(5,599)	-	(283,937)
-	(5,599)	2,000,000	1,716,063
-	-	2,461,479	3,962,914
-	-	-	3,177,985
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,461,479</u>	<u>\$ 7,140,899</u>

(Concluded)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Educational Consolidation & Improvement Act -
Title I

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 1,822,998	\$ 2,691,589	\$ 2,091,459	\$ (600,130)
Total Revenues	1,822,998	2,691,589	2,091,459	(600,130)
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,680,361	2,435,109	1,913,897	521,212
Support services:				
Pupil support services	19,125	28,721	8,036	20,685
Instructional staff support	13,051	54,818	35,145	19,673
Total Expenditures	1,712,537	2,518,648	1,957,078	561,570
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	110,461	172,941	134,381	(38,560)
OTHER FINANCING SOURCES (USES)				
Transfers out	(110,461)	(172,941)	(134,381)	38,560
Total Other Financing Sources (Uses)	(110,461)	(172,941)	(134,381)	38,560
Net Changes in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Improving Teacher Quality -
Title II

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 358,394	\$ 538,227	\$ 224,686	\$ (313,541)
Total Revenues	358,394	538,227	224,686	(313,541)
EXPENDITURES				
Current:				
Instruction:				
Special programs	336,678	503,645	210,249	293,396
Total Expenditures	336,678	503,645	210,249	293,396
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	21,716	34,582	14,437	(20,145)
OTHER FINANCING SOURCES (USES)				
Transfers out	(21,716)	(34,582)	(14,437)	20,145
Total Other Financing Sources (Uses)	(21,716)	(34,582)	(14,437)	20,145
Net Change in Fund Balance	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Maintenance Tax

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-3

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 5,392,200	\$ 5,710,385	\$ 5,747,999	\$ 37,614
Interest earnings	11,000	11,000	14,090	3,090
Other	7,500	7,500	-	(7,500)
State sources:				
Other	47,474	47,474	48,279	805
Total Revenues	5,458,174	5,776,359	5,810,368	34,009
EXPENDITURES				
Current:				
Instruction:				
Special programs	11,590	9,966	9,966	-
Support services:				
General administration	317,958	324,502	312,948	11,554
Plant services	4,043,344	4,092,625	3,293,176	799,449
Student transportation services	1,675,216	1,791,267	343,125	1,448,142
Capital outlay	-	-	769,323	(769,323)
Total Expenditures	6,048,108	6,218,360	4,728,538	1,489,822
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(589,934)	(442,001)	1,081,830	1,523,831
FUND BALANCES - BEGINNING	1,606,434	2,608,825	2,608,825	-
FUND BALANCES - ENDING	\$ 1,016,500	\$ 2,166,824	\$ 3,690,655	\$ 1,523,831

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Special Education

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-4

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 1,438,590	\$ 1,612,641	\$ 1,248,474	\$ (364,167)
Total Revenues	1,438,590	1,612,641	1,248,474	(364,167)
EXPENDITURES				
Current:				
Instruction:				
Special programs	998,838	1,099,682	897,596	202,086
Support services:				
Pupil support services	197,336	207,288	173,255	34,033
Instructional staff support	139,125	185,639	91,700	93,939
Student transportation services	19,388	19,358	8,641	10,717
Total Expenditures	1,354,687	1,511,967	1,171,192	340,775
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	83,903	100,674	77,282	(23,392)
OTHER FINANCING SOURCES (USES)				
Transfers out	(83,903)	(100,674)	(77,282)	23,392
Total Other Financing Sources (Uses)	(83,903)	(100,674)	(77,282)	23,392
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Title IV A-SSAE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-5

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ -	\$ 55,695	\$ 18,497	\$ (37,198)
Total Revenues	-	55,695	18,497	(37,198)
EXPENDITURES				
Current:				
Instruction:				
Special programs	-	52,117	17,309	34,808
Total Expenditures	-	52,117	17,309	34,808
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	3,578	1,188	(2,390)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(3,578)	(1,188)	2,390
Total Other Financing Sources (Uses)	-	(3,578)	(1,188)	2,390
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Teacher Incentive

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-6

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 1,826,281	\$ 1,826,281	\$ 1,326,693	\$ (499,588)
Total Revenues	1,826,281	1,826,281	1,326,693	(499,588)
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,826,281	1,826,281	1,326,693	499,588
Total Expenditures	1,826,281	1,826,281	1,326,693	499,588
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Jobs for America's Graduates

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-7

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 50,000	\$ 30,008	\$ 18,349	\$ (11,659)
Total Revenues	50,000	30,008	18,349	(11,659)
EXPENDITURES				
Current:				
Instruction:				
Special programs	46,970	28,080	18,127	9,953
Total Expenditures	46,970	28,080	18,127	9,953
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	3,030	1,928	222	(1,706)
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,030)	(1,928)	(222)	1,706
Total Other Financing Sources (Uses)	(3,030)	(1,928)	(222)	1,706
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

School Food Service

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-8

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 1,847,000	\$ 2,000,000	\$ 2,340,342	\$ 340,342
Interest earnings	462	462	3,143	2,681
Food services	39,971	39,971	30,807	(9,164)
Other	300	300	690	390
State sources:				
Equalization	463,470	466,618	460,298	(6,320)
Federal sources	2,246,963	2,246,963	2,260,851	13,888
Total Revenues	4,598,166	4,754,314	5,096,131	341,817
EXPENDITURES				
Current:				
Food services	4,602,472	4,603,493	4,651,976	(48,483)
Capital outlay	-	-	24,550	(24,550)
Total Expenditures	4,602,472	4,603,493	4,676,526	(73,033)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(4,306)	150,821	419,605	268,784
FUND BALANCES - BEGINNING	475,831	569,160	569,160	-
FUND BALANCES - ENDING	\$ 471,525	\$ 719,981	\$ 988,765	\$ 268,784

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Carl Perkins

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-9

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ 62,513	\$ 62,535	\$ 62,535	\$ -
Total Revenues	62,513	62,535	62,535	-
EXPENDITURES				
Current:				
Instruction:				
Vocational programs	62,513	62,535	62,535	-
Total Expenditures	62,513	62,535	62,535	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Early Childhood Development

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-10

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
State sources:				
Other	\$ 544,524	\$ 502,350	\$ 471,484	\$ (30,866)
Federal sources	517,257	481,367	475,804	(5,563)
Total Revenues	<u>1,061,781</u>	<u>983,717</u>	<u>947,288</u>	<u>(36,429)</u>
EXPENDITURES				
Current:				
Instruction:				
Special programs	1,030,439	953,408	916,974	36,434
Total Expenditures	<u>1,030,439</u>	<u>953,408</u>	<u>916,974</u>	<u>36,434</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>31,342</u>	<u>30,309</u>	<u>30,314</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(31,342)</u>	<u>(30,309)</u>	<u>(30,314)</u>	<u>(5)</u>
Total Other Financing Sources (Uses)	<u>(31,342)</u>	<u>(30,309)</u>	<u>(30,314)</u>	<u>(5)</u>
Net change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

School Improvement

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-11

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ -	\$ 41,500	\$ 41,500	\$ -
Total Revenues	-	41,500	41,500	-
EXPENDITURES				
Current:				
Instruction:				
Special programs	-	41,500	41,500	-
Total Expenditures	-	41,500	41,500	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Striving Readers

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-12

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ -	\$ 459,934	\$ 339,414	\$ (120,520)
Total Revenues	-	459,934	339,414	(120,520)
EXPENDITURES				
Current:				
Instruction:				
Special programs	-	431,715	318,935	112,780
Total Expenditures	-	431,715	318,935	112,780
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	28,219	20,479	(7,740)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(28,219)	(20,479)	(7,740)
Total Other Financing Sources (Uses)	-	(28,219)	(20,479)	(7,740)
Net change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Homeless Assistance

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-13

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Federal sources	\$ -	\$ 5,984	\$ 548	\$ (5,436)
Total Revenues	-	5,984	548	(5,436)
EXPENDITURES				
Current:				
Instruction:				
Special programs	-	5,600	513	5,087
Total Expenditures	-	5,600	513	5,087
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	384	35	(349)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(384)	(35)	(349)
Total Other Financing Sources (Uses)	-	(384)	(35)	349
Net change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Educational Excellence

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-14

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State sources	\$ 100,000	\$ 205,112	\$ 99,609	\$ 105,503
Total Revenues	100,000	205,112	99,609	105,503
EXPENDITURES				
Current:				
Instruction:				
Special programs	100,000	205,112	99,609	105,503
Total Expenditures	100,000	205,112	99,609	105,503
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Rural Education

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-15

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
State sources	\$ -	\$ 87,149	\$ 87,149	\$ -
Total Revenues	-	87,149	87,149	-
EXPENDITURES				
Current:				
Instruction:				
Special programs	-	81,550	81,550	-
Total Expenditures	-	81,550	81,550	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	5,599	5,599	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(5,599)	(5,599)	-
Total Other Financing Sources (Uses)	-	(5,599)	(5,599)	-
Net change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Art Preservation

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 8-16

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Interest earnings	\$ -	\$ -	\$ 3,324	\$ 3,324
Other	-	-	458,155	458,155
Total Revenues	-	-	461,479	461,479
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	461,479	461,479
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000,000	2,000,000	2,000,000	-
Total Other Financing Sources (Uses)	2,000,000	2,000,000	2,000,000	-
Net change in Fund Balances	2,000,000	2,000,000	2,461,479	461,479
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ 2,000,000	\$ 2,000,000	\$ 2,461,479	\$ 461,479

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

SCHOOL DISTRICTS, NO. 1 (2015 ISSUE), NO. 2 (2012 AND 2013 ISSUE), NO. 2 (2010 AND 2017 ISSUE), NO. 2 (2012 ISSUE), NO. 3 (2015 ISSUE), AND NO. 4 (2007, 2008, 2015, & 2016 ISSUE): To accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishings thereof. The bond issues are financed by a special property tax levy on property within the respective school districts and/or an allocation of sales and use tax collected.

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2018

	NO. 1 2015 ISSUE	NO. 2 2012 & 2013 ISSUE	NO. 2 2010 & 2017 ISSUE	NO. 2 2012 ISSUE
ASSETS				
Cash and cash equivalents	\$ 59,325	\$ 452,251	\$ 373,381	\$ 1,039,771
Receivables	20	6,962	1,323	173
TOTAL ASSETS	<u>59,345</u>	<u>459,213</u>	<u>374,704</u>	<u>1,039,944</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	61	-	354	533
Total Liabilities	<u>61</u>	<u>-</u>	<u>354</u>	<u>533</u>
Fund Balances:				
Restricted	59,284	54,901	374,350	1,039,411
Committed	-	404,312	-	-
Total Fund Balances	<u>59,284</u>	<u>459,213</u>	<u>374,350</u>	<u>1,039,411</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,345</u>	<u>\$ 459,213</u>	<u>\$ 374,704</u>	<u>\$ 1,039,944</u>

Exhibit 9

NO. 3 2015 ISSUE	NO. 4 2007, 2008, 2015 & 2016 ISSUE	TOTAL
\$ 59,303	\$ 581,724	\$ 2,565,755
20	76	8,574
<u>59,323</u>	<u>581,800</u>	<u>2,574,329</u>
61	183	1,192
<u>61</u>	<u>183</u>	<u>1,192</u>
59,262	-	1,587,208
-	581,617	985,929
<u>59,262</u>	<u>581,617</u>	<u>2,573,137</u>
<u>\$ 59,323</u>	<u>\$ 581,800</u>	<u>\$ 2,574,329</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018

	NO. 1 2015 ISSUE	NO. 2 2012 & 2013 ISSUE	NO. 2 2010 & 2017 ISSUE	NO. 2 2012 ISSUE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ 1,042,772	\$ -	\$ -
Sales and use	121,044	-	700,194	1,053,444
Interest earnings	531	8,563	1,938	3,154
Other	-	-	8,451	-
Total Revenues	121,575	1,051,335	710,583	1,056,598
EXPENDITURES				
Current:				
Support services:				
General administration	1,420	40,353	8,215	12,360
Debt Service:				
Principal retirement	65,000	805,000	440,000	620,000
Interest and bank charges	56,577	151,081	149,884	391,510
Total Expenditures	122,997	996,434	598,099	1,023,870
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,422)	54,901	112,484	32,728
FUND BALANCES - BEGINNING	60,706	404,312	261,866	1,006,683
FUND BALANCES - ENDING	\$ 59,284	\$ 459,213	\$ 374,350	\$ 1,039,411

Exhibit 10

NO. 3 2015 ISSUE	NO. 4 2007, 2008, 2015 & 2016 ISSUE	TOTAL
\$ -	\$ 841,481	\$ 1,884,253
121,044	461,033	2,456,759
506	8,559	23,251
-	-	8,451
<u>121,550</u>	<u>1,311,073</u>	<u>4,372,714</u>
1,420	39,573	103,341
65,000	770,000	2,765,000
<u>56,577</u>	<u>421,486</u>	<u>1,227,115</u>
<u>122,997</u>	<u>1,231,059</u>	<u>4,095,456</u>
<u>(1,447)</u>	<u>80,014</u>	<u>277,258</u>
<u>60,709</u>	<u>501,603</u>	<u>2,295,879</u>
<u>\$ 59,262</u>	<u>\$ 581,617</u>	<u>\$ 2,573,137</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUND

NO. 1 2015 ISSUE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 11-1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 121,044	\$ 121,044	\$ 121,044	\$ -
Interest earnings	-	-	531	531
	<u>121,044</u>	<u>121,044</u>	<u>121,575</u>	<u>531</u>
Total Revenues	<u>121,044</u>	<u>121,044</u>	<u>121,575</u>	<u>531</u>
EXPENDITURES				
Current:				
Support services:				
General administration	2,342	1,998	1,420	578
Debt Service:				
Principal retirement	65,000	65,000	65,000	-
Interest and bank charges	56,844	56,877	56,577	300
	<u>124,186</u>	<u>123,875</u>	<u>122,997</u>	<u>878</u>
Total Expenditures	<u>124,186</u>	<u>123,875</u>	<u>122,997</u>	<u>878</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(3,142)	(2,831)	(1,422)	1,409
FUND BALANCES - BEGINNING	<u>60,204</u>	<u>60,706</u>	<u>60,706</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 57,062</u>	<u>\$ 57,875</u>	<u>\$ 59,284</u>	<u>\$ 1,409</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUND

NO. 2 2012 & 2013 ISSUE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 11-2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,003,014	\$ 985,965	\$ 1,042,772	\$ 56,807
Interest earnings	2,000	2,000	8,563	6,563
Total Revenues	1,005,014	987,965	1,051,335	63,370
EXPENDITURES				
Current:				
Support services:				
General administration	40,838	42,316	40,353	1,963
Debt Service:				
Principal retirement	805,000	805,000	805,000	-
Interest and bank charges	152,881	152,881	151,081	1,800
Total Expenditures	998,719	1,000,197	996,434	3,763
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	6,295	(12,232)	54,901	67,133
FUND BALANCES - BEGINNING	390,006	404,312	404,312	-
FUND BALANCES - ENDING	\$ 396,301	\$ 392,080	\$ 459,213	\$ 67,133

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUND

NO. 2 2010 & 2017 ISSUE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 11-3

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 639,617	\$ 700,194	\$ 700,194	\$ -
Interest earnings	100	100	1,938	1,838
Other	-	-	8,451	8,451
	<u>639,717</u>	<u>700,294</u>	<u>710,583</u>	<u>10,289</u>
Total Revenues				
EXPENDITURES				
Current:				
Support services:				
General administration	12,377	11,554	8,215	3,339
Debt Service:				
Principal retirement	380,000	380,000	440,000	(60,000)
Interest and bank charges	273,994	273,994	149,884	124,110
	<u>666,371</u>	<u>665,548</u>	<u>598,099</u>	<u>67,449</u>
Total Expenditures				
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(26,654)</u>	<u>34,746</u>	<u>112,484</u>	<u>77,738</u>
FUND BALANCES - BEGINNING	<u>292,974</u>	<u>261,866</u>	<u>261,866</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 266,320</u>	<u>\$ 296,612</u>	<u>\$ 374,350</u>	<u>\$ 77,738</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUND

NO. 2 2012 ISSUE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 11-4

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 1,038,444	\$ 1,053,444	\$ 1,053,444	\$ -
Interest earnings	3,200	3,200	3,154	(46)
Total Revenues	<u>1,041,644</u>	<u>1,056,644</u>	<u>1,056,598</u>	<u>(46)</u>
EXPENDITURES				
Current:				
Support services:				
General administration	20,094	17,382	12,360	5,022
Debt Service:				
Principal retirement	620,000	620,000	620,000	-
Interest and bank charges	391,644	391,644	391,510	134
Total Expenditures	<u>1,031,738</u>	<u>1,029,026</u>	<u>1,023,870</u>	<u>5,156</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	9,906	27,618	32,728	5,110
FUND BALANCES - BEGINNING	<u>1,004,569</u>	<u>1,006,683</u>	<u>1,006,683</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,014,475</u>	<u>\$ 1,034,301</u>	<u>\$ 1,039,411</u>	<u>\$ 5,110</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUND

NO. 3 2015 ISSUE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 11-5

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 121,044	\$ 121,044	\$ 121,044	\$ -
Interest earnings	-	-	506	506
	<u>121,044</u>	<u>121,044</u>	<u>121,550</u>	<u>506</u>
Total Revenues	<u>121,044</u>	<u>121,044</u>	<u>121,550</u>	<u>506</u>
EXPENDITURES				
Current:				
Support services:				
General administration	2,342	1,998	1,420	578
Debt Service:				
Principal retirement	65,000	65,000	65,000	-
Interest and bank charges	57,544	57,577	56,577	1,000
	<u>124,886</u>	<u>124,575</u>	<u>122,997</u>	<u>1,578</u>
Total Expenditures	<u>124,886</u>	<u>124,575</u>	<u>122,997</u>	<u>1,578</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(3,842)	(3,531)	(1,447)	2,084
FUND BALANCES - BEGINNING	<u>60,192</u>	<u>60,709</u>	<u>60,709</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 56,350</u>	<u>\$ 57,178</u>	<u>\$ 59,262</u>	<u>\$ 2,084</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUND

NO. 4 2007, 2008, 2015 & 2016 ISSUE

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 11-6

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 758,000	\$ 835,241	\$ 841,481	\$ 6,240
Sales and use	461,033	461,033	461,033	-
Interest earnings	2,500	2,500	8,559	6,059
Total Revenues	<u>1,221,533</u>	<u>1,298,774</u>	<u>1,311,073</u>	<u>12,299</u>
EXPENDITURES				
Current:				
Support services:				
General administration	40,380	42,272	39,573	2,699
Debt Service:				
Principal retirement	770,000	770,000	770,000	-
Interest and bank charges	419,484	420,886	421,486	(600)
Total Expenditures	<u>1,229,864</u>	<u>1,233,158</u>	<u>1,231,059</u>	<u>2,099</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(8,331)	65,616	80,014	14,398
FUND BALANCES - BEGINNING	<u>484,012</u>	<u>501,603</u>	<u>501,603</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 475,681</u>	<u>\$ 567,219</u>	<u>\$ 581,617</u>	<u>\$ 14,398</u>

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

SCHOOL DISTRICTS NO. 1, NO. 2, NO. 3, NO. 4, AND NO. 5: To account for financial resources to acquire, construct, and improve public school facilities in the respective districts.

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS

Combining Balance Sheet

June 30, 2018

Exhibit 12

	SCHOOL DISTRICT NO. 1	SCHOOL DISTRICT NO. 2	SCHOOL DISTRICT NO. 3	SCHOOL DISTRICT NO. 4	SCHOOL DISTRICT NO. 5	TOTAL
ASSETS						
Cash and cash equivalents	\$ 6,130,702	\$ 6,491,955	\$ 1,120,497	\$ 6,590,827	\$ 100,797	\$ 20,434,778
Receivables	76,061	281,986	44,858	165,246	-	568,151
TOTAL ASSETS	<u>6,206,763</u>	<u>6,773,941</u>	<u>1,165,355</u>	<u>6,756,073</u>	<u>100,797</u>	<u>21,002,929</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts, salaries and other payables	1,170,478	86,192	-	97,340	-	1,354,010
TOTAL LIABILITIES	<u>1,170,478</u>	<u>86,192</u>	<u>-</u>	<u>97,340</u>	<u>-</u>	<u>1,354,010</u>
Fund Balances:						
Committed	5,036,285	6,687,749	1,165,355	6,658,733	100,797	19,648,919
TOTAL FUND BALANCES	<u>5,036,285</u>	<u>6,687,749</u>	<u>1,165,355</u>	<u>6,658,733</u>	<u>100,797</u>	<u>19,648,919</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,206,763</u>	<u>\$ 6,773,941</u>	<u>\$ 1,165,355</u>	<u>\$ 6,756,073</u>	<u>\$ 100,797</u>	<u>\$ 21,002,929</u>

DESOTO PARISH SCHOOL BOARD

**NONMAJOR CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2018**

Exhibit 13

	<u>SCHOOL DISTRICT NO. 1</u>	<u>SCHOOL DISTRICT NO. 2</u>	<u>SCHOOL DISTRICT NO. 3</u>	<u>SCHOOL DISTRICT NO. 4</u>	<u>SCHOOL DISTRICT NO. 5</u>	<u>TOTAL</u>
REVENUES						
Local sources:						
Taxes:						
Ad valorem	\$ -	\$ -	\$ 81	\$ -	\$ -	\$ 81
Sales and use	672,464	1,183,526	346,770	1,262,183	-	3,464,943
Interest earnings	15,934	21,405	6,211	22,172	568	66,290
Other	20,000	-	-	-	-	20,000
Total Revenues	708,398	1,204,931	353,062	1,284,355	568	3,551,314
EXPENDITURES						
Current:						
Support services:						
General administration	7,890	13,886	4,069	14,809	-	40,654
Plant services	109,553	137,371	107,232	-	-	354,156
Capital outlay	1,668,800	414,996	267,022	469,722	-	2,820,540
Debt service:						
Bond issuance costs	82,045	-	-	-	-	82,045
Total Expenditures	1,868,288	566,253	378,323	484,531	-	3,297,395
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,159,890)	638,678	(25,261)	799,824	568	253,919
OTHER FINANCING SOURCES (USES)						
Transfers in	445,550	1,649,200	262,675	967,575	-	3,325,000
Limited tax revenue bonds issued	4,000,000	-	-	-	-	4,000,000
Total Other Financing Sources (Uses)	4,445,550	1,649,200	262,675	967,575	-	7,325,000
Net Change in Fund Balances	3,285,660	2,287,878	237,414	1,767,399	568	7,578,919
FUND BALANCES - BEGINNING	1,750,625	4,399,871	927,941	4,891,334	100,229	12,070,000
FUND BALANCES - ENDING	\$ 5,036,285	\$ 6,687,749	\$ 1,165,355	\$ 6,658,733	\$ 100,797	\$ 19,648,919

DESOTO PARISH SCHOOL BOARD

MAJOR CAPITAL PROJECT FUND

PARISHWIDE CAPITAL PROJECT

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 14-1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 178,063	\$ 240,000	\$ 311,668	\$ 71,668
Interest earnings	9,500	9,500	88,181	78,681
Total Revenues	187,563	249,500	399,849	150,349
EXPENDITURES				
Current:				
Support services:				
General administration	3,446	3,960	3,657	303
Plant services	25,500	-	339,010	(339,010)
Capital outlay	-	1,064,522	952,561	111,961
Total Expenditures	28,946	1,068,482	1,295,228	(226,746)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	158,617	(818,982)	(895,379)	(76,397)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	175,000	175,000
Total Other Financing Sources (Uses)	-	-	175,000	175,000
Net Change in Fund Balances	158,617	(818,982)	(720,379)	98,603
FUND BALANCES - BEGINNING	9,991,750	11,840,894	11,840,894	-
FUND BALANCES - ENDING	\$ 10,150,367	\$ 11,021,912	\$ 11,120,515	\$ 98,603

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUND

SCHOOL DISTRICT NO. 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 14-2

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 325,537	\$ 489,996	\$ 672,464	\$ 182,468
Interest earnings	5,252	5,252	15,934	10,682
Other	-	-	20,000	20,000
Total Revenues	330,789	495,248	708,398	213,150
EXPENDITURES				
Current:				
Support services:				
General administration	6,299	8,085	7,890	195
Plant services	268,725	-	109,553	(109,553)
Capital outlay	62,000	2,192,726	1,668,800	523,926
Debt Service:				
Bond issuance costs	-	-	82,045	(82,045)
Total Expenditures	337,024	2,200,811	1,868,288	332,523
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(6,235)	(1,705,563)	(1,159,890)	545,673
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	445,550	445,550
General obligation bonds issued	-	3,917,955	4,000,000	82,045
Total Other Financing Sources (Uses)	-	3,917,955	4,445,550	527,595
Net Change in Fund Balances	(6,235)	2,212,392	3,285,660	1,073,268
FUND BALANCES - BEGINNING	1,601,923	1,750,625	1,750,625	-
FUND BALANCES - ENDING	\$ 1,595,688	\$ 3,963,017	\$ 5,036,285	\$ 1,073,268

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUND

SCHOOL DISTRICT NO. 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 14-3

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ -	\$ 508,122	\$ 1,183,526	\$ 675,404
Interest earnings	6,500	6,500	21,405	14,905
Total Revenues	6,500	514,622	1,204,931	690,309
EXPENDITURES				
Current:				
Support services:				
General administration	-	8,385	13,886	(5,501)
Plant services	6,000	-	137,371	(137,371)
Capital outlay	-	810,302	414,996	395,306
Total Expenditures	6,000	818,687	566,253	252,434
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	500	(304,065)	638,678	942,743
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,649,200	1,649,200
Total Other Financing Sources (Uses)	-	-	1,649,200	1,649,200
Net Change in Fund Balances	500	(304,065)	2,287,878	2,591,943
FUND BALANCES - BEGINNING	2,834,674	4,399,871	4,399,871	-
FUND BALANCES - ENDING	\$ 2,835,174	\$ 4,095,806	\$ 6,687,749	\$ 2,591,943

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUND

SCHOOL DISTRICT NO. 3

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 14-4

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ 81.00	\$ 81.00
Sales and use	139,461	239,196	346,770	107,574
Interest earnings	3,200	3,200	6,211	3,011
Total Revenues	<u>142,661</u>	<u>242,396</u>	<u>353,062</u>	<u>110,666</u>
EXPENDITURES				
Current:				
Support services:				
General administration	2,699	3,947	4,069	(122)
Plant services	165,300	-	107,232	(107,232)
Capital outlay	<u>28,000</u>	<u>481,222</u>	<u>267,022</u>	<u>214,200</u>
Total Expenditures	<u>195,999</u>	<u>485,169</u>	<u>378,323</u>	<u>106,846</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(53,338)</u>	<u>(242,773)</u>	<u>(25,261)</u>	<u>217,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>262,675</u>	<u>262,675</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>262,675</u>	<u>262,675</u>
Net Change in Fund Balances	(53,338)	(242,773)	237,414	480,187
FUND BALANCES - BEGINNING	<u>488,224</u>	<u>927,941</u>	<u>927,941</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 434,886</u>	<u>\$ 685,168</u>	<u>\$ 1,165,355</u>	<u>\$ 480,187</u>

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUND

SCHOOL DISTRICT NO. 4

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 14-5

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 537,007	\$ 865,927	\$ 1,262,183	\$ 396,256
Interest earnings	7,319	7,319	22,172	14,853
Total Revenues	<u>544,326</u>	<u>873,246</u>	<u>1,284,355</u>	<u>411,109</u>
EXPENDITURES				
Current:				
Support services:				
General administration	10,391	14,288	14,809	(521)
Plant services	213,500	-	-	-
Capital outlay	<u>65,000</u>	<u>764,159</u>	<u>469,722</u>	<u>294,437</u>
Total Expenditures	<u>288,891</u>	<u>778,447</u>	<u>484,531</u>	<u>293,916</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>255,435</u>	<u>94,799</u>	<u>799,824</u>	<u>705,025</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>967,575</u>	<u>967,575</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>967,575</u>	<u>967,575</u>
Net Change in Fund Balances	255,435	94,799	1,767,399	1,672,600
FUND BALANCES - BEGINNING	<u>4,108,264</u>	<u>4,891,334</u>	<u>4,891,334</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,363,699</u>	<u>\$ 4,986,133</u>	<u>\$ 6,658,733</u>	<u>\$ 1,672,600</u>

DESOTO PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECT FUND
SCHOOL DISTRICT NO. 5

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2018

Exhibit 14-6

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
REVENUES				
Local sources:				
Interest earnings	\$ 50	\$ 50	\$ 568	\$ 518
Total Revenues	50	50	568	518
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	50	50	568	518
FUND BALANCES - BEGINNING	100,107	100,229	100,229	-
FUND BALANCES - ENDING	\$ 100,157	\$ 100,279	\$ 100,797	\$ 518

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

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

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

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

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Combining Statement of Net Position

June 30, 2018

Exhibit 15

	GROUP DENTAL INSURANCE	GROUP HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTAL
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 382,995	\$ 7,307,679	\$ 1,463,961	\$ 9,154,635
Investments	-	1,041,364	100,000	1,141,364
Receivables	-	249,088	740	249,828
Prepaid items	-	610,536	-	610,536
TOTAL CURRENT ASSETS	382,995	9,208,667	1,564,701	11,156,363
LIABILITIES				
Current liabilities:				
Accounts payable	104,100	3,900,647	-	4,004,747
Claims payable	-	150,000	-	150,000
TOTAL CURRENT LIABILITIES	104,100	4,050,647	-	4,154,747
Noncurrent liabilities:				
Medical claims payable	-	2,978,447	-	2,978,447
Dental claims payable	161,426	-	-	161,426
Workers' compensation payable	-	-	235,551	235,551
TOTAL NONCURRENT LIABILITIES	161,426	2,978,447	235,551	3,375,424
TOTAL LIABILITIES	265,526	7,029,094	235,551	7,530,171
NET POSITION				
Unrestricted	\$ 117,469	\$ 2,179,573	\$ 1,329,150	\$ 3,626,192

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
 Combining Statement of Revenue, Expenses,
 And Changes in Fund Net Position
 For the Year Ended June 30, 2018

Exhibit 16

	GROUP DENTAL INSURANCE	GROUP HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTAL
OPERATING REVENUE				
Medical premiums	\$ -	\$ 15,332,815	\$ -	\$ 15,332,815
Dental premiums	756,680	-	-	756,680
Worker's compensation premiums	-	-	153,559	153,559
Medicare subsidy	-	187,822	-	187,822
Total operating revenues	756,680	15,520,637	153,559	16,430,876
OPERATING EXPENSES				
Claims	758,974	15,672,468	78,741	16,510,183
Administration	49,939	612,876	10,817	673,632
Insurance	-	582,053	50,284	632,337
Total operating expenses	808,913	16,867,397	139,842	17,816,152
Operating income (loss)	(52,233)	(1,346,760)	13,717	(1,385,276)
NONOPERATING REVENUES				
Earnings on investments	4,722	92,594	17,592	114,908
Change in Net Position	(47,511)	(1,254,166)	31,309	(1,270,368)
NET POSITION - BEGINNING	164,980	3,433,739	1,297,841	4,896,560
NET POSITION - ENDING	\$ 117,469	\$ 2,179,573	\$ 1,329,150	\$ 3,626,192

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2018

Exhibit 17

	GROUP DENTAL INSURANCE	GROUP HEALTH INSURANCE	WORKERS' COMPENSATION INSURANCE	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Premiums received	\$ 756,680	\$ 15,271,549	\$ 153,277	\$ 16,181,506
Administrative fees paid	(32,186)	(612,876)	(11,017)	(656,079)
Premiums paid	-	(610,536)	(50,284)	(660,820)
Claims paid	(749,804)	(13,963,315)	(78,741)	(14,791,860)
Net cash provided (used) by operating activities	<u>(25,310)</u>	<u>84,822</u>	<u>13,235</u>	<u>72,747</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Earnings on investments	4,722	92,594	17,592	114,908
Purchase of investments	-	(4,965)	-	(4,965)
Net cash provided (used) for investing activities	<u>4,722</u>	<u>87,629</u>	<u>17,592</u>	<u>109,943</u>
Net increase (decrease) in cash and cash equivalents	(20,588)	172,451	30,827	182,690
CASH AND CASH EQUIVALENTS - BEGINNING	<u>403,583</u>	<u>7,135,228</u>	<u>1,433,134</u>	<u>8,971,945</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>382,995</u></u>	<u><u>7,307,679</u></u>	<u><u>1,463,961</u></u>	<u><u>9,154,635</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(52,233)	(1,346,760)	13,717	(1,385,276)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
(Increase) decrease in receivables	-	(249,088)	(282)	(249,370)
(Increase) decrease in prepaid items	-	(28,483)	-	(28,483)
Increase (decrease) in accounts and claims payable	26,923	1,709,153	(200)	1,735,876
Net cash provided (used) for operating activities	<u>\$ (25,310)</u>	<u>\$ 84,822</u>	<u>\$ 13,235</u>	<u>\$ 72,747</u>

**DeSoto Parish School Board
Mansfield, Louisiana**

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

DESOTO PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND

Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2018

Exhibit 18

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
ASSETS				
Cash and cash equivalents	<u>\$ 662,048</u>	<u>\$ 2,255,206</u>	<u>\$ 2,205,943</u>	<u>\$ 711,311</u>
Total assets	<u>662,048</u>	<u>2,255,206</u>	<u>2,205,943</u>	<u>711,311</u>
LIABILITIES				
Deposits due others	<u>662,048</u>	<u>2,255,206</u>	<u>2,205,943</u>	<u>711,311</u>
Total liabilities	<u>\$ 662,048</u>	<u>\$ 2,255,206</u>	<u>\$ 2,205,943</u>	<u>\$ 711,311</u>

DESOTO PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
 Statement of Changes in Deposits Due Others
 For the Year Ended June 30, 2018

Exhibit 19

<u>SCHOOLS AND PROGRAMS</u>	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
Logansport High PK-12	\$ 108,223	\$ 447,900	\$ 434,222	\$ 121,901
Mansfield Elementary Middle 3-5	7,235	93,812	83,631	17,416
Mansfield Elementary Middle 6-8	28,183	132,318	125,999	34,502
Mansfield High	20,839	306,573	304,667	22,745
North DeSoto Elementary PK-2	28,454	103,291	100,309	31,436
North DeSoto Elementary 3-5	30,571	90,656	90,460	30,767
North DeSoto Middle	165,133	222,484	241,952	145,665
North DeSoto High	212,181	640,810	611,538	241,453
Stanley High PK-12	51,596	208,507	208,253	51,850
*DeSoto Parish Alternative	<u>9,633</u>	<u>8,855</u>	<u>4,912</u>	<u>13,576</u>
Total	<u>\$ 662,048</u>	<u>\$ 2,255,206</u>	<u>\$ 2,205,943</u>	<u>\$ 711,311</u>

*DeSoto Parish Alternative is a program and is not considered to be a school.

**DeSoto Parish School Board
Mansfield, Louisiana**

General

Exhibit 20

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2018**

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

<u>Board Member</u>	<u>District</u>	<u>Compensation</u>
Mr. Bobby Boyd	10	\$ 9,600
Mr. Thomas "Tommy" Craig, Jr.	9	10,200
Mr. Jeffrey "Jeff" Dillard	3	9,600
Mr. Donald "Donnie" Dufour	4	9,600
Mr. Dudley Glenn	1	10,800
Dr. Robert "Neil" Henderson	2	9,600
Mr. James "Coday" Johnston	6	9,600
Mr. L.J. Mayweather, Jr.	11	9,900
Mr. Dale Morvan	7	10,200
Mr. Larry "Mark" Ross	8	9,600
Ms. Alice Thomas	5	<u>9,900</u>
Total		<u>\$108,600</u>

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 21-1

**Schedule of Compensation, Benefits, and Other Payments to Superintendent
For the Year Ended June 30, 2018**

**Agency Head: Dr. Cade Brumley, Superintendent
(7/1/17 - 3/23/18)**

Purpose	Amount
Salary	\$ 136,719
Benefits-Retirement	36,367
Benefits - Insurance	28,147
Benefits- Other (Severance)	45,927
Car allowance	6,160
Reimbursements-Travel	<u>8,069</u>
Total	<u><u>\$ 261,389</u></u>

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 21-2

**Schedule of Compensation, Benefits, and Other Payments to Superintendent
For the Year Ended June 30, 2018**

**Agency Head: Kathy Noel, Interim Superintendent
(3/26/18 - 5/7/18)**

Purpose	Amount
Salary	\$ 1,300
Benefits-Retirement	369
Benefits - Insurance	19
Reimbursements-Travel	<u>734</u>
Total	<u><u>\$ 2,422</u></u>

**DeSoto Parish School Board
Mansfield, Louisiana**

Exhibit 21-3

**Schedule of Compensation, Benefits, and Other Payments to Superintendent
For the Year Ended June 30, 2018**

**Agency Head: Clay Corley, Superintendent
(5/8/18 - Present)**

Purpose	Amount
Salary	\$ 26,442
Benefits-Retirement	7,034
Benefits - Insurance	1,163
Benefits- Other	5,000
Car allowance	1,520
Reimbursements-Travel	<u>2,267</u>
Total	<u><u>\$ 43,426</u></u>

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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STATISTICAL SECTION

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Statistical Section
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**DeSoto Parish School Board
Statistical Section
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Operating Information		
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.		
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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.

(concluded)

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Net Position by Component
Fiscal Years Ended June 30, 2009 through June 30, 2018
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 38,260,982	\$ 42,351,067	\$ 52,187,331	\$ 59,372,145	\$ 59,346,917	\$ 58,289,603	\$ 58,525,595	\$ 59,336,119	\$ 60,832,940	\$ 62,593,727
Restricted	12,818,082	36,577,690	5,361,510	4,838,689	3,480,327	3,751,263	3,589,096	3,941,919	4,171,514	5,824,404
Unrestricted	13,764,220	20,033,312	74,570,720	61,630,584	54,355,580	55,534,962	(41,549,431)	(37,666,096)	(112,383,805)	(86,313,914)
Total governmental activities net assets/position	<u>\$ 64,843,284</u>	<u>\$ 98,962,069</u>	<u>\$ 132,119,561</u>	<u>\$ 125,841,418</u>	<u>\$ 117,182,824</u>	<u>\$ 117,575,828</u>	<u>\$ 20,565,260</u>	<u>\$ 25,611,942</u>	<u>\$ (47,379,351)</u>	<u>\$ (17,895,783)</u>

Notes:

GASB Statement No. 63 was implemented for the year ended 6/30/2013. The statement changed the term net assets to net position.

GASB Statements No. 68 and 71 were implemented for the year ended 6/30/15. Beginning net position was decreased by \$103,986,229 as result of the implementation.

GASB Sstatement No. 75 was implemented for the year ended 6/30/2017. Beginning net postion was decreased by \$75,325,663 as a result of the implementation.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Changes in Net Position
Fiscal Years Ended June 30, 2009 through June 30, 2018
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Instruction:										
Regular programs	\$ 21,967,595	\$ 25,478,383	\$ 31,478,048	\$ 35,268,039	\$ 32,487,281	\$ 31,048,527	\$ 28,593,599	\$ 26,510,979	\$ 29,210,312	\$ 25,038,634
Special programs	17,686,433	19,443,872	23,113,551	23,352,366	20,320,465	19,646,225	18,691,865	17,122,405	16,424,279	14,185,395
Adult/continuing education	132,281	149,490	8,770	0	0	0	0	0	0	0
Support services:										
Pupil support services	2,450,846	3,196,266	4,099,771	5,267,441	4,650,927	4,346,674	4,250,288	4,191,702	4,303,240	3,478,897
Instructional staff support	3,552,709	4,388,127	5,058,454	4,863,102	4,371,112	3,761,154	3,340,315	3,547,108	3,034,598	2,321,314
General administration	1,810,948	2,082,881	2,308,525	2,965,378	3,505,678	2,849,258	3,021,091	2,718,378	2,771,476	2,628,171
School administration	4,093,880	4,307,502	5,388,183	5,417,468	4,786,840	4,211,696	3,918,894	3,795,062	3,841,795	3,236,273
Business services	1,054,106	1,206,676	1,613,261	1,661,215	1,453,055	1,377,371	1,302,537	1,222,457	1,191,003	1,008,263
Plant services	6,497,050	9,749,430	9,308,603	10,639,508	7,819,247	7,465,439	8,395,490	7,976,973	7,504,406	7,127,886
Student transportation services	5,116,331	5,454,720	6,429,010	7,150,936	5,815,375	6,061,589	5,489,143	5,030,618	5,494,783	4,875,716
Central services	250,518	290,632	351,811	453,419	381,144	420,421	395,696	461,109	476,871	412,483
Food services	3,980,066	4,022,065	4,892,492	5,664,489	5,429,639	5,185,953	5,080,458	4,681,698	4,758,603	4,435,513
Interest on long-term debt	1,510,974	1,457,915	1,642,961	2,070,437	1,899,177	1,724,519	1,736,426	1,414,016	1,450,092	1,398,874
Total expenses	<u>70,103,737</u>	<u>81,227,959</u>	<u>95,693,440</u>	<u>104,773,798</u>	<u>92,919,940</u>	<u>88,098,826</u>	<u>84,215,802</u>	<u>78,672,505</u>	<u>80,461,458</u>	<u>70,147,419</u>
Program Revenues										
Charges for services:										
Food Service Operations	361,729	348,525	336,417	353,944	331,244	278,292	254,396	220,843	33,241	30,807
Operating Grants and Contributions	10,181,671	10,582,869	9,282,812	9,725,739	9,629,581	10,353,475	9,285,131	8,927,139	7,970,352	8,909,514
Capital Grants and Contributions	0	10,578	0	0	0	0	0	0	0	0
Total program revenues	<u>10,543,400</u>	<u>10,941,972</u>	<u>9,619,229</u>	<u>10,079,683</u>	<u>9,960,825</u>	<u>10,631,767</u>	<u>9,539,527</u>	<u>9,147,982</u>	<u>8,003,593</u>	<u>8,940,321</u>
Net (Expense) / Revenue	<u>(59,560,337)</u>	<u>(70,285,987)</u>	<u>(86,074,211)</u>	<u>(94,694,115)</u>	<u>(82,959,115)</u>	<u>(77,467,059)</u>	<u>(74,676,275)</u>	<u>(69,524,523)</u>	<u>(72,457,865)</u>	<u>(61,207,098)</u>
General Revenues and Other Changes in Net Assets										
Taxes										
Ad valorem taxes levied for general purposes	14,409,769	17,621,599	18,407,215	26,537,124	38,352,971	40,172,821	42,441,591	40,708,273	38,800,035	40,623,622
Ad valorem taxes levied for debt service purposes	3,167,309	3,197,010	3,234,949	1,240,862	1,739,632	1,835,433	1,934,970	1,670,014	1,605,975	1,884,253
Sales taxes levied for capital improvements	4,986,371	19,565,500	29,433,938	3,590,603	0	0	0	0	0	0
Sales taxes levied for salaries, benefits and general purposes	22,994,901	34,532,412	43,652,840	44,568,581	21,954,012	23,417,957	22,700,000	17,435,825	20,073,391	31,166,849
Grants and contributions not restricted to specific programs	26,029,606	22,434,720	21,106,462	10,851,557	11,145,435	11,215,820	13,497,980	13,146,531	13,220,321	15,121,566
Interest and investment earnings	778,620	360,648	412,402	353,014	293,366	296,147	179,434	275,721	240,710	597,746
Miscellaneous	826,382	6,692,883	2,983,897	1,274,231	815,105	921,885	897,961	1,334,841	851,803	1,296,630
Total	<u>73,192,958</u>	<u>104,404,772</u>	<u>119,231,703</u>	<u>88,415,972</u>	<u>74,300,521</u>	<u>77,860,063</u>	<u>81,651,936</u>	<u>74,571,205</u>	<u>74,792,235</u>	<u>90,690,666</u>
Change in Net Assets/Position	<u>\$ 13,632,621</u>	<u>\$ 34,118,785</u>	<u>\$ 33,157,492</u>	<u>\$ (6,278,143)</u>	<u>\$ (8,658,594)</u>	<u>\$ 393,004</u>	<u>\$ 6,975,661</u>	<u>\$ 5,046,682</u>	<u>\$ 2,334,370</u>	<u>\$ 29,483,568</u>

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Unreserved	\$ 8,951,441	\$ 11,705,134	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Committed	0	0	5,359,185	7,378,020	8,332,985	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Unassigned	0	0	8,795,733	4,732,383	3,823,067	3,394,492	3,474,669	3,584,114	3,952,607	4,030,098
Total general fund	<u>8,951,441</u>	<u>11,705,134</u>	<u>14,154,918</u>	<u>12,110,403</u>	<u>12,156,052</u>	<u>12,994,492</u>	<u>13,074,669</u>	<u>13,184,114</u>	<u>13,552,607</u>	<u>13,630,098</u>
All Other Governmental Funds										
Reserved	1,497,646	2,064,802	0	0	0	0	0	0	0	0
Unreserved, reported in:										
Special revenue funds	4,204,092	6,653,495	0	0	0	0	0	0	0	0
Capital projects funds	18,527,102	29,786,056	0	0	0	0	0	0	0	0
Nonspendable	0	0	29,202	44,428	46,550	71,548	63,917	74,535	96,793	75,066
Restricted	0	0	5,332,308	4,794,261	3,433,777	3,679,715	3,525,179	6,873,105	4,471,156	6,191,562
Committed	0	0	44,540,001	48,645,926	38,081,573	34,481,669	35,381,377	31,028,128	29,455,669	42,935,550
Total all other governmental funds	<u>\$ 24,228,840</u>	<u>\$ 38,504,353</u>	<u>\$ 49,901,511</u>	<u>\$ 53,484,615</u>	<u>\$ 41,561,900</u>	<u>\$ 38,232,932</u>	<u>\$ 38,970,473</u>	<u>\$ 37,975,768</u>	<u>\$ 34,023,618</u>	<u>\$ 49,202,178</u>

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad valorem taxes	\$ 17,577,078	\$ 20,818,609	\$ 21,642,164	\$ 27,777,986	\$ 40,092,603	\$ 42,008,254	\$ 44,376,561	\$ 42,378,287	\$ 40,406,010	\$ 42,507,875
Sales & use taxes	27,981,272	54,097,912	73,086,778	48,159,184	21,954,012	23,417,957	22,700,000	17,435,825	20,073,391	31,166,849
Investment Earning	644,781	318,142	397,192	346,615	279,506	277,887	159,804	237,392	188,217	482,838
Other Revenues	1,257,591	7,058,802	3,500,532	1,791,341	1,187,086	1,406,495	1,223,028	1,757,754	993,248	1,731,622
Total revenues from local sources	47,460,722	82,293,465	98,626,666	78,075,126	63,513,207	67,110,593	68,459,393	61,809,258	61,660,866	75,889,184
Revenue from state sources:										
Equalization	25,221,571	22,094,768	19,965,412	10,471,365	10,823,969	10,880,732	13,157,834	12,687,512	12,811,639	14,786,743
Other	3,747,183	2,075,354	1,137,543	835,171	947,804	1,282,903	1,380,702	1,082,506	1,073,553	916,909
Total revenue from state sources	28,968,754	24,170,122	21,102,955	11,306,536	11,771,773	12,163,635	14,538,536	13,770,018	13,885,192	15,703,652
Revenue from federal sources	7,242,523	8,858,045	9,286,319	9,270,760	9,003,243	9,405,660	8,244,575	8,303,652	7,305,481	8,327,428
Total Revenues	83,671,999	115,321,632	129,015,940	98,652,422	84,288,223	88,679,888	91,242,504	83,882,928	82,851,539	99,920,264
Expenditures:										
Current:										
Instruction services	38,850,042	50,891,084	53,297,703	53,749,647	48,213,547	45,670,733	45,030,441	44,804,546	42,808,164	45,239,608
Pupil support services	2,476,298	3,532,844	3,931,865	5,107,524	4,574,810	4,212,507	4,388,334	4,730,884	4,451,481	4,328,028
Instructional staff support	3,687,172	5,265,600	5,199,099	4,594,788	4,170,327	3,647,161	3,382,963	3,852,973	3,260,797	3,052,623
General administration	1,827,664	2,325,879	2,329,659	2,852,984	3,183,989	2,848,563	2,953,765	2,849,900	2,804,125	2,855,637
School administration	4,036,247	5,015,925	5,530,332	5,066,873	4,443,840	3,879,268	3,875,744	3,930,526	3,984,290	4,185,795
Business services	1,057,991	1,431,658	1,592,058	1,511,259	1,360,437	1,319,345	1,317,277	1,372,612	1,273,513	1,360,122
Plant services	6,555,621	10,504,160	8,301,223	8,500,347	7,449,282	7,294,186	7,471,322	8,500,591	7,783,258	7,846,292
Student transportation services	5,002,913	6,734,565	6,737,076	7,340,024	5,750,750	5,472,337	6,011,735	5,251,518	5,557,563	5,675,294
Food service	3,937,929	4,268,497	4,889,795	5,054,362	4,827,576	4,647,045	4,711,327	4,656,502	4,563,219	4,651,976
Central services	246,863	335,505	347,032	435,279	378,422	412,911	418,748	442,352	479,651	486,371
Capital Outlay	14,768,806	14,189,973	19,624,082	14,366,680	7,407,160	7,578,778	5,731,322	3,557,678	7,341,182	4,908,307
Debt service:										
Interest	1,613,275	1,442,518	1,646,074	1,672,345	1,913,579	1,767,582	1,829,906	1,361,414	1,446,301	1,227,115
Principal	3,466,000	1,407,000	1,743,000	1,810,000	2,455,000	2,270,000	2,355,000	2,675,000	2,770,000	2,765,000
Bond issuance costs	0	0	0	0	0	0	0	202,070	78,081	82,045
Total Expenditures	87,526,821	107,345,208	115,168,998	112,062,112	96,128,719	91,020,416	89,477,884	88,188,566	88,601,625	88,664,213
Excess of revenues over (under) expenditures	(3,854,822)	7,976,424	13,846,942	(13,409,690)	(11,840,496)	(2,340,528)	1,764,620	(4,305,638)	(5,750,086)	11,256,051
Other Financing Sources (Uses)										
Proceeds from borrowing	0	9,052,782	0	15,348,279	0	0	0	3,500,000	0	4,000,000
Proceeds from refunding	0	0	0	5,190,000	3,585,000	0	8,190,000	6,390,000	6,065,000	0
Payments to escrow agent	0	0	0	(5,190,000)	(3,621,570)	0	(8,136,902)	(7,195,402)	(6,075,846)	0
Premium on bonds issued	0	0	0	0	0	0	0	825,780	0	0
Sale of Surplus Property	0	0	0	0	0	0	0	0	25,878	0
Transfers in	6,308,139	3,109,966	438,080	1,970,660	9,646,120	1,482,279	4,370,619	392,004	9,301,872	9,283,937
Transfers out	(6,308,139)	(3,109,966)	(438,080)	(2,370,660)	(9,646,120)	(1,632,279)	(5,370,619)	(492,004)	(7,150,475)	(9,283,937)
Total other financing sources (uses)	0	9,052,782	0	14,948,279	(36,570)	(150,000)	(946,902)	3,420,378	2,166,429	4,000,000
Net change in fund balances	\$ (3,854,822)	\$ 17,029,206	\$ 13,846,942	\$ 1,538,589	\$ (11,877,066)	\$ (2,490,528)	\$ 817,718	\$ (885,260)	\$ (3,583,657)	\$ 15,256,051
Debt service as a percentage of noncapital expenditures	7.0%	3.1%	3.5%	3.6%	4.9%	4.8%	5.0%	4.8%	5.2%	4.8%

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Homestead Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2009	\$ 70,879,823	\$ 174,617,824	\$ 84,278,538	\$ 38,051,137	\$ 291,725,048	48.56	\$ 2,598,564,280	12.69%
2010	74,404,978	231,491,956	91,265,482	38,654,478	358,507,938	48.56	3,140,615,771	12.65%
2011	77,300,095	304,373,419	90,019,550	39,007,112	432,685,952	43.56	3,791,004,881	12.44%
2012	80,861,291	464,080,588	90,148,086	39,328,962	595,761,003	43.56	5,323,371,501	11.93%
2013	85,253,612	535,471,367	74,218,241	39,794,273	655,148,947	56.66	6,024,679,613	11.53%
2014	90,021,550	571,303,019	74,060,205	40,313,482	695,071,292	56.66	6,468,277,171	11.37%
2015	92,935,589	603,503,252	78,762,165	40,589,314	734,611,692	56.66	6,811,921,633	11.38%
2016	96,661,250	584,028,700	75,970,655	40,890,681	715,769,924	56.66	6,676,186,510	11.33%
2017	101,304,116	549,830,613	80,435,392	41,399,349	690,170,772	56.66	8,132,231,195	9.00%
2018	104,733,445	529,020,751	86,043,012	41,700,737	678,096,471	56.66	7,789,681,268	9.24%

Source: DeSoto Parish Tax Assessor Agency

Notes:

- (1) Property in the parish is reassessed every four years. Reassessments were done in the 2008, 2012 and 2016 calendar years.
 Calendar year 2008 is the June 30, 2009 fiscal year.
 Calendar year 2012 is the June 30, 2013 fiscal year.
 Calendar year 2016 is the June 30, 2017 fiscal year
- (2) Assessed values are established by the Assessor each year on a uniform basis at the following ratios of assessed value to actual value:

10% land	15% commercial improvements
10% residential improvements	25% public service properties, excluding land
15% industrial improvements	28% agricultural class property
15% machinery	
- (3) Tax rates are per \$1,000 of assessed value.

Table 6

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate						Overlapping Rates	
	Operating Millage	Debt Service Millage					DeSoto Parish Police Jury	City of Mansfield
		No. 1	No. 2	No. 3	No. 4	No. 5		
2009	48.56	2.63	9.25	5.50	19.50	11.50	17.86	16.61
2010	48.56	0.00	9.25	1.25	17.00	0.00	17.86	16.61
2011	43.56	0.00	8.75	0.75	14.50	0.00	17.86	16.61
2012	43.56	0.00	3.00	0.00	3.00	0.00	16.88	16.61
2013	56.66	0.00	3.00	0.00	5.00	0.00	16.77	16.44
2014	56.66	0.00	3.00	0.00	5.00	0.00	16.77	16.44
2015	56.66	0.00	3.00	0.00	5.00	0.00	16.77	16.53
2016	56.66	0.00	3.00	0.00	4.00	0.00	16.77	16.71
2017	56.66	0.00	3.00	0.00	4.00	0.00	16.76	17.05
2018	56.66	0.00	3.60	0.00	4.00	0.00	16.76	17.05

Source: DeSoto Parish Tax Assessor Agency

Notes:

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

Table 7

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Principal Property Taxpayers
June 30, 2018 and Nine Years Ago

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
International Paper Co.	\$ 56,210,543	1	8.29 %	\$ 70,209,413	1	24.07 %
Exco Production Company	55,330,279	2	8.16	23,628,881	3	8.10
Chesapeake Operating Inc.	46,153,310	3	6.81			
Southwestern Electric LP	28,890,964	4	4.26	24,067,275	2	8.25
Louisiana Midstream Gas	28,565,208	5	4.21			
Acadian Gas Pipeline System	25,764,030	6	3.80			
Indigo Minerals, LLC	25,101,290	7	3.70			
Enterprise Gathering, LLC	24,978,080	8	3.68			
Covey Park Operating, LLC	24,381,077	9	3.60			
Cleco Power LLC	24,161,160	10	3.56	21,835,166	4	7.48
El Paso Production Co.				16,824,156	5	5.77
Dolet Hills Mining Venture				4,471,067	9	1.53
J-W Operating				6,964,969	7	2.39
Gulf South Pipeline				9,233,520	6	3.17
Centerpoint Entergy				5,140,020	8	1.76
Coronado Energy				3,781,792	10	1.30
Totals	\$ <u>339,535,941</u>		<u>50.07 %</u>	\$ <u>186,156,259</u>		<u>63.81 %</u>

Source: DeSoto Parish Tax Assessor Agency

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 17,356,378	\$ 17,243,258	99.35%	\$ 52,619	\$ 17,295,877	99.65%
2010	20,618,149	20,348,752	98.69%	51,426	20,400,178	98.94%
2011	22,188,330	21,596,738	97.33%	56,299	21,653,037	97.59%
2012	27,189,012	27,109,628	99.71%	57,330	27,166,958	99.92%
2013	38,853,245	38,826,128	99.93%	26,711	38,852,839	100.00%
2014	41,215,250	39,444,439	95.70%	291,715	39,736,154	96.41%
2015	43,558,046	43,523,190	99.92%	34,856	43,558,046	100.00%
2016	42,246,646	41,574,259	98.41%	672,387	42,246,646	100.00%
2017	40,756,121	39,935,409	97.99%	820,712	40,756,121	100.00%
2018	42,720,468	41,182,860	96.40%	N/A	41,182,860	96.40%

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

N/A - Information is not yet available.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

Fiscal Year	Sales and Use Tax Rates						Tax Collections					
	Parishwide			Municipalities			Parishwide			Municipalities		
	School Board	Police Jury	Law Enforcement District	Mansfield	Other	Total Rate	School Board	Police Jury	Law Enforcement District	Mansfield	Other	Total Collections
2009	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	\$ 25,810,503	\$ 10,382,643	\$ 5,162,962	\$ 1,418,932	\$ 650,807	\$ 43,425,848
2010	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	50,637,444	20,256,897	10,121,940	2,088,200	944,490	84,048,971
2011	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	72,757,851	29,103,717	14,551,222	2,543,632	1,069,701	120,026,123
2012	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	53,414,120	21,365,989	10,675,856	2,970,180	959,529	89,385,675
2013	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	22,295,660	8,919,135	4,460,406	1,937,732	730,931	38,343,864
2014	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	23,382,299	9,353,079	4,676,747	1,687,892	684,956	39,784,973
2015	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	25,112,041	10,045,313	5,023,161	1,708,434	772,278	42,661,227
2016	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	18,196,899	7,279,426	3,640,438	1,663,241	739,325	31,519,329
2017	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	18,550,765	7,411,102	3,710,868	1,805,336	769,780	32,247,851
2018	2.50%	1.00%	0.50%	1.50%	3.00%	5.00%	31,813,965	12,142,336	6,333,873	2,203,013	956,887	53,450,074

Notes:

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Sales Tax Revenue Bonds	Limited Tax Revenue Bonds	Certificates of Indebtedness	Total Debt Outstanding	Percentage of Personal Income	Per Capita
2009	\$ 31,305,000	\$ 45,000	\$ 0	\$ 1,225,000	\$ 32,575,000	4.57%	1,234
2010	30,205,000	23,000	9,000,000	940,000	40,168,000	5.34%	1,521
2011	29,055,000	0	8,730,000	640,000	38,425,000	4.75%	1,442
2012	28,225,000	15,000,000	8,450,000	325,000	52,000,000	6.72%	1,939
2013	27,175,000	14,485,000	8,528,091	0	50,188,091	6.12%	1,861
2014	25,750,000	13,950,000	8,168,038	0	47,868,038	5.00%	1,771
2015	24,890,000	13,395,000	7,847,985	0	46,132,985	4.67%	1,700
2016	23,030,000	12,815,000	11,681,539	0	47,526,539	4.73%	1,757
2017	21,350,000	12,215,000	10,510,000	0	44,075,000	4.32%	1,623
2018	24,459,538	11,838,795	10,005,962	0	46,304,295	4.48%	1,694

Notes:

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

Table 11

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	\$ 31,305,000	\$ 1,467,911	\$ 29,837,089	1.15%	1,131
2010	30,205,000	2,036,060	28,168,940	0.90%	1,067
2011	29,055,000	3,758,781	25,296,219	0.67%	949
2012	36,675,000	2,862,210	33,812,790	0.64%	1,261
2013	35,703,091	2,523,069	33,180,022	0.55%	1,231
2014	33,918,038	2,259,581	31,658,457	0.49%	1,171
2015	32,737,985	1,894,462	30,843,523	0.45%	1,136
2016	34,711,539	1,500,206	33,211,333	0.50%	1,228
2017	21,350,000	905,915	20,444,085	0.25%	753
2018	24,459,538	1,040,830	23,418,708	0.30%	857

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 revenue bonds.
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population data (Table 14).
- (4) Amounts available in debt service funds includes the fund balance of No. 2 2012 and 2013 issue and No. 4 2007, 2008, 2015 and 2016 issue. The remaining debt service funds are financed primarily with sales tax proceeds.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

<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			
City of Mansfield	6,586,980	100.00%	\$ 6,586,980
Subtotal, overlapping debt			<u>6,586,980</u>
DeSoto Parish School Board Direct Debt			<u>46,304,295</u>
Total direct and overlapping debt			<u><u>\$ 52,891,275</u></u>

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

Notes:

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 95,701,968	\$ 115,421,665	\$ 139,006,846	\$ 165,092,572	\$ 222,281,488	\$ 243,230,127	\$ 257,384,671	\$ 271,320,352	\$ 264,831,212	\$ 256,049,542	\$ 251,929,023
Total net debt applicable to limit	31,592,844	29,837,089	28,168,940	25,296,219	33,812,790	33,180,022	31,658,457	30,843,523	33,211,333	20,444,085	23,418,708
Legal debt margin	\$ 64,109,124	\$ 85,584,576	\$ 110,837,906	\$ 139,796,353	\$ 188,468,698	\$ 210,050,105	\$ 225,726,214	\$ 240,476,829	\$ 231,619,879	\$ 235,605,457	\$ 228,510,315
Total net debt applicable to the limit as a percentage of debt limit	33.01%	25.85%	20.26%	15.32%	15.21%	13.64%	12.30%	11.37%	12.54%	7.98%	9.30%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 678,096,471
Add back: exempt real property	41,700,737
Total assessed value	<u>719,797,208</u>
Debt limit (35% of total assessed value)	\$ 251,929,023
Debt applicable to limit:	
General Obligation bonds	24,459,538
Less: Amount set aside for repayment of general obligation debt	<u>1,040,830</u>
Total net debt applicable to limit	<u>23,418,708</u>
Legal debt margin	<u>\$ 228,510,315</u>

Source: DeSoto Parish Tax Assessor.

Notes:

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

Table 14

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	School Enrollment	Percentage on Free & Reduced Meals	Unemployment Rate
2009	26,388	\$ 715,563,396	\$ 27,117	4,885	67.05 %	6.8 %
2010	26,401	752,111,688	28,488	4,925	66.64 %	7.9 %
2011	26,656	808,156,608	30,318	4,923	65.60 %	8.9 %
2012	26,812	773,687,072	28,856	5,040	63.40 %	7.8 %
2013	26,963	820,133,571	30,417	5,249	63.60 %	8.3 %
2014	27,033	957,725,124	35,428	5,145	64.20 %	7.8 %
2015	27,142	986,910,262	36,361	5,147	65.00 %	8.1 %
2016	27,052	1,004,251,396	37,123	5,119	60.54 %	8.7 %
2017	27,149	1,020,666,655	37,595	5,169	62.50 %	7.4 %
2018	27,340	1,032,686,480	37,772	5,221	60.51 %	6.1 %

Sources:

- (1) Population data obtained from the U. S. Census Bureau.
- (2) School enrollment and free and reduced meals data obtained from Louisiana Department of Education.
- (3) Unemployment rate obtained from U. S. Department of Labor.
- (4) Personal Income data obtained from www.stats.indiana.edu.
- (5) For the fiscal year 2017 and thereafter, all students ate for free since the School Board's CEP application was approved. The percentage of free and reduced meals represents the percentage of economically disadvantaged students in the District.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Principal Employers
Current Year and 2009

	2018			2009		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
DeSoto Parish School Board	747	1	7.44%	850	1	8.11%
International Paper	703	2	7.00%	560	2	5.34%
DeSoto Regional Health System	250	3	2.49%	258	3	2.46%
DeSoto Parish Police Jury	200	4	1.99%	103	5	0.98%
Wal-mart Supercenter	138	5	1.37%			
DeSoto Sheriff Department	135	6	1.34%	96	7	0.92%
Dolet Hills Lignite Mill/Power Plant/Offices	120	7	1.19%	205	4	1.96%
Mansfield Nursing Center	120	8	1.19%			
DeSoto Retirement Rehab	100	9	1.00%			
4 G Contractors	85	10	0.85%			
Hendrix Manufacturing				103	6	0.98%
DeSoto Parish EMS Unit				51	8	0.49%

Source:

Human Resource Departments of: DeSoto Parish Sheriff Office, Parish School Board, Parish Police Jury, each employer listed above
Employment data obtained from U. S. Department of Labor.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Building Information
June 30, 2018

**Listing of Instructional Sites
(Currently in Use)**

	Date	School	Grades	Capacity		No. of Rated
	<u>Constructed</u>	<u>District</u>	<u>Taught</u>	<u>Sq. Ft.</u>	<u>Acreage</u>	<u>Classrooms</u>
High Schools						
Logansport	1992	#1	PreK-12	124,197	53.47	64
Mansfield	2009	#4	9-12	141,641	27.34	44
North DeSoto	1982	#2	9-12	151,518	37.57	45
Stanley	1991	#3	PreK-12	67,120	40.00	30
Middle Schools						
Mansfield Elementary/Middle	1994	#4	PreK-8	216,878	140.30	110
North DeSoto	2007	#2	6-8	86,626	41.56	42
Elementary Schools						
North DeSoto - Lower Elem.	1988	#2	PreK-1	65,782	53.26	43
North DeSoto - Upper Elem.	1994	#2	2-5	98,936	15.00	48
Total Instructional Sites				<u>952,698</u>	<u>408.50</u>	<u>426</u>

**Listing of Other Sites
(Currently in Use)**

<u>Other Sites</u>	Date	Capacity		No. of Rated
	<u>Constructed</u>	<u>Sq. Ft.</u>	<u>Acreage</u>	<u>Rooms</u>
Central Office	1956	5,287	1.13	16
Central Office Warehouse	1956	4,000	0.30	4
DeSoto Alternative Program	1998	19,507	4.20	10
Instructional Materials Center	1969	14,950	3.36	18
Maintenance Facility	2009	19,734	1.74	10
Media Center Warehouse	1981	9,200	0.25	2
Special Services Building	1981	10,020	1.15	16
Transportation/Food Service	2010	<u>14,592</u>	<u>9.00</u>	<u>18</u>
Total Other Sites		<u>97,290</u>	<u>21.13</u>	<u>94</u>

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Personnel
Fiscal Years Ended June 30, 2009 through June 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Teachers										
Less than a Bachelor's degree	3	4	3	1	1	1	1	3	1	2
Bachelor	257	278	274	283	271	242	249	254	225	234
Master	66	71	76	85	91	83	80	89	87	86
Master +30	25	23	22	29	23	19	17	15	12	13
Specialist in Education	4	3	3	4	3	2	2	0	1	0
Ph.D or Ed.D	1	1	2	0	1	1	1	0	1	1
Total	356	380	380	402	390	348	350	361	327	336
Principals & Assistants										
Bachelor	2	1	0	1	0	0	0	0	0	0
Master	13	10	1	13	11	9	10	8	8	12
Master +30	12	13	14	12	11	7	7	4	4	4
Specialist in Education	0	0	12	0	0	0	0	0	0	0
Ph.D or Ed.D	0	0	0	0	0	0	0	1	0	0
Total	27	24	27	26	22	16	17	13	12	16

Source:

2009-2017 Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.

2018 DeSoto Parish School Board

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Operating Statistics
For the Fiscal Years Ended June 30, 2009 through June 30, 2018

Fiscal Year Ended June 30	Expenses	PreK - 12 Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2009	\$ 70,103,737	4,885	\$ 14,351	26.48%	356	13.72
2010	81,227,959	4,928	16,483	14.86%	380	12.97
2011	95,693,440	4,923	19,438	17.93%	380	12.96
2012	104,773,798	5,097	20,556	5.75%	402	12.68
2013	92,919,940	5,155	18,025	-12.31%	390	13.22
2014	88,098,826	5,145	17,123	-5.00%	348	14.78
2015	84,215,802	5,147	16,362	-4.44%	350	14.71
2016	78,672,505	5,119	15,369	-6.07%	361	14.18
2017	80,461,458	5,169	15,566	1.28%	327	15.81
2018	70,147,419	5,221	13,436	-13.69%	336	15.54

Source:

2009-2017 Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.
2018 DeSoto Parish School Board

Notes:

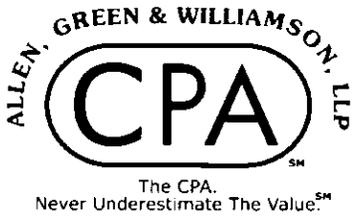
- (1) Expenses are on full accrual and is extracted from Table 2, Changes in Net Assets.
- (2) Enrollment is extracted from Table 14, Demographic and Economic Statistics.
- (3) Teaching staff is extracted from Table 17, School Personnel.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Schedule of Insurance in Force

2017-2018

Type of Coverage/ Name of Company	Policy Number	Policy Period		Details of Coverage and Coinsurance	Coverage Limits	Premium
		From	To			
Property damage Affiliated FM Ins. Co.	GS243	10/1/2017 – 10/1/2018		Blanket coverage– all property \$100,000 deductible Includes EDP Coverage Includes Auto PD Catastrophic Cov. \$100,000 deductible	\$ 169,924,191 Citizens Assess. See Below \$ 5,436,907	\$ 118,750 \$ 2,595 In Property
EDP and Musical Instruments Affiliated FM Ins. Co.	See Property	10/1/2017 – 10/1/2018		Blanket coverage – all property \$10,000 deductible	Included in Property	Included in Property
Property loss and damage Affiliated FM Ins. Co.	See Property	10/1/2017 – 10/1/2018		Boilers and electric motors \$10,000 deductible	\$ 100,000,000	Included in Property
General liability LARMA	LA110-O	10/1/2017 – 10/1/2018		All property and employees \$25,000 deductible per occur.	\$ 1,000,000 per occurrence \$3,000,000 aggregate	\$ 64,999
Auto/Fleet LARMA	LA110-O	10/1/2017 – 10/1/2018		Specified vehicles \$2,500 deductible (comprehensive) \$2,500 deductible (collision) \$5,000 Medical Payments/person \$85,000 PD Per Occurrence	\$ 1,000,000 liability w/ \$10,000 deductible \$50,000 per occ. \$255K Annual Agg.	\$ 148,310
Public Employees Blanket Bond Great American	GVT5544102140C	10/1/2017 – 10/1/2018		All School Board employees \$5,000 deductible	\$ 100,000	\$ 4,131
School Board Legal Liability LARMA	LA110-O	10/1/2017 – 10/1/2018		Errors and omissions coverage \$25,000 deductible	\$ 1,000,000	\$ 16,998
Worker's Compensation Safety National Casualty Co.	AGC4057246	7/1/2017 – 7/1/2018		Blanket coverage – all employees Self-insured retention \$450,000	\$ 1,000,000	\$ 52,938



**DeSoto Parish School Board
Mansfield, Louisiana**

**Single Audit Report
For the Year Ended June 30, 2018**

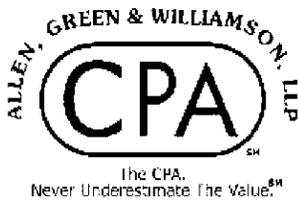
ALLEN, GREEN & WILLIAMSON, LLP
CERTIFIED PUBLIC ACCOUNTANTS
MONROE, LA

DeSoto Parish School Board
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DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeSoto Parish School Board as of and for the year ended June 30, 2018, 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 28, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001 and 2018-002 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002.

The School Board's Response to Findings

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

Purpose of this Report

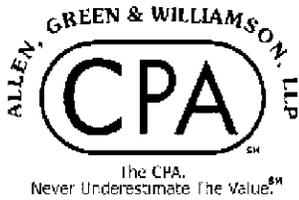
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 28, 2018



ALLEN, GREEN & WILLIAMSON, LLP

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

Independent Auditor's Report

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

Report on Compliance for Each Major Federal Program

We have audited DeSoto Parish School Board's compliance with the types of compliance requirements described in the *OMB 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, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as items 2018-003. Our opinion on each major federal program is not modified with respect to this matter.

The School Board's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as 2018-003 that we consider to be a significant deficiency.

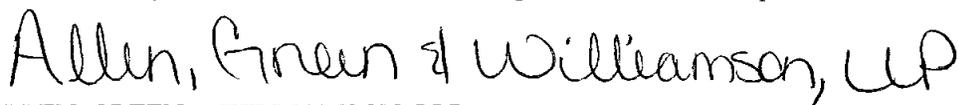
The School Board's response to the internal controls over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon December 28, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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


ALLEN, GREEN & WILLIAMSON, I.L.P

Monroe, Louisiana
December 28, 2018

DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Grantor No.</u>	Pass-Through Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Non Cash Assistance (Commodities)			
National School Lunch Program	10.555	N/A	\$ 247,629
Cash Assistance:			
School Breakfast Program	10.553	N/A	481,132
National School Lunch Program	10.555	N/A	1,529,987
School Snack Program	10.555	N/A	2,103
			<u>\$ 2,260,851</u>
Total United States Department of Agriculture			<u>2,260,851</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I Part A, Basic Grant Program	84.010	28-18-TI-16 28-17-TA-16	2,091,459 <u>41,500</u>
			2,132,959
Special Education Cluster:			
State Grants – Part B			
	84.027	28-18-RH-16 28-18-B1-16 28-18-JP-16	45,679 1,101,882 60,000
Preschool Grants			
	84.173	28-18-CY-16 28-18-P1-16	1,985 <u>40,913</u>
			1,250,459
Improving Teacher Quality (Title II)	84.367	28-18-50-16	224,686
Homeless Children and Youth	84.196	28-18-H1-16	548
Striving Readers			
	84.371	28-16-U1-16 28-16-U3-16 28-16-U4-16	100,527 163,217 <u>75,670</u>
			339,414
Vocational Education Basic Grants To States	84.048	28-18-02-16	62,535

(Continued)

DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Grantor No.</u>	<u>Pass-Through Expenditures</u>
Title IV A SSAE	84.424	28-18-71-16	18,497
Rural Education (Title V)	84.358	28-18-RE-16	87,149
Passed Through National Institute For Excellence in Teaching			
Teacher Incentive Fund	84.374	N/A	<u>1,326,693</u>
Total United States Department of Education			<u>5,442,940</u>
 United States Department of Health and Human Services			
 Passed Through the Louisiana Department of Education:			
 Payments to States for Child Care Assistance			
TANF Cluster:			
Temporary Assistance for Needy Families (TANF)	93.558	28-18-JS-16	18,349
		28-18-36-16	<u>471,804</u>
			490,153
 CCDF Cluster:			
Early Childhood Community Network	93.575	28-17-C0-16	<u>2,015</u>
Total United States Department of Health and Human Services			<u>492,168</u>
 United States Department of Defense			
Jr. ROTC	12.UKN	N/A	<u>131,469</u>
TOTAL FEDERAL AWARDS			<u>\$ 8,327,428</u>

DeSoto Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 - BASIS OF PRESENTATION The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of DeSoto Parish School Board under programs of the federal government for the year ended June 30, 2018. The information in this 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 DeSoto Parish School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of DeSoto Parish School Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the modified 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.

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

Major Fund:	
General Fund	\$ 131,469
Nonmajor Fund:	
Educational Consolidation & Improvement Act - Title I	2,091,459
Improving Teacher Quality – Title II	224,686
Special Education	1,248,474
Title IV A-SSAE	18,497
Teacher Incentive	1,326,693
Jobs for America's Graduates	18,349
School Food Service	2,260,851
Carl Perkins	62,535
Early Childhood Development	475,804
School Improvement	41,500
Striving Readers	339,414
Homeless Assistance	548
Rural Education	87,149
Total	<u>\$ 8,327,428</u>

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

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

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

NOTE 7 - INDIRECT COST RATE DeSoto Parish School Board has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

PART I - Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unmodified.
- ii. There were two significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiencies were not considered to be material weaknesses.
- iii. The audit disclosed one instance of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by the Uniform Guidance. The significant deficiency was not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed one audit finding which the auditor is required to report under the Uniform Guidance.
- vii. The major federal awards are:

Title I Part A	CFDA# 84.010
Special Education Cluster:	
State Grants – Part B	CFDA# 84.027
Preschool Grants	CFDA# 84.173
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

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

Reference # and title: **2018-001** **Attendance Records**

Entity-Wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls require that absences from an assigned position be properly documented and reflected in the payroll records for each employee. Furthermore, proper supervisory approval should be obtained for daily attendance and leave.

Condition found: When performing a test of attendance and leave for a sample of 5 employees for the month of February 2018, there were 2 exceptions noted where the selected employee/official did not adequately document their daily attendance. Also, there were 4 exceptions noted where written documentation was not obtained to support supervisory approval, electronically or in writing, of attendance.

Context: This finding is considered systemic.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Documentation of attendance was not sufficient for some employees.

Recommendation to prevent future occurrences: The School Board should be consistent in maintaining documentation for employee attendance and obtaining supervisory approval for such records.

Origination date and prior year reference (if applicable): This finding is first reported in the fiscal year ended June 30, 2017. See prior year finding 2017-002.

View of Responsible Official: Procedures have been implemented to document attendance for each location. The two employees without documented attendance work in positions that require them to be in different schools and locations on a daily basis without a consistent schedule. The School Board has several positions that operate on an itinerant basis. Maintaining attendance records on these positions will continue to pose a challenge going forward.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

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

Reference # and title: **2018-002** **Electronic Bids for School Food Service**

Entity-Wide or program/department specific: This finding is program specific for the School Food Service program.

Criteria or specific requirement: Louisiana Revised Statute 38.2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

Condition found: When testing a sample of two bids processed by the School Food Service department during the year, it was noted that electronic bidding was not offered for the bids processed during the year, as required by State statute.

Context: This finding is considered to be specific to the school food service program, and not applicable to all programs/departments.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The School Board may not have met all requirements related to the State bid law.

Recommendation to prevent future occurrences: The School Board should establish procedures to ensure all purchases are made in accordance with applicable bid requirements

Origination date and prior year reference (if applicable): This finding is first reported in the fiscal year ended June 30, 2017. See prior year finding 2017-003.

View of Responsible Official: Due to the School Board's audit being extended in the prior year, findings were unknown for the period tested in the audit. Once the findings were known, the School Board revised procedures to include electronic bids for food service purchases

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

Part III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance

Reference # and title: 2018-003 Electronic Bids for School Food Service

Federal program and specific federal award identification: This finding relates to Child Nutrition Cluster: School Breakfast Program CFDA# 10.553 and National School Lunch Program CFDA# 10.555 for Federal Award Year 2017 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

Criteria or specific requirement: The School Board is required to perform procurement procedures as contained in 2 CFR sections 200.31 through 200.326. Additionally, the Louisiana Revised Statute 38:2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

SEE CURRENT YEAR FINDING 2018-002 FOR CONDITION FOUND, CONTEXT, POSSIBLE ASSERTED EFFECT (CAUSE AND EFFECT), RECOMMENDATIONS TO PREVENT FUTURE OCCURRENCES, ORIGINATION DATE AND PRIOR YEAR REFERENCE (IF APPLICABLE) AND VIEW OF RESPONSIBLE OFFICIAL.



DeSoto Parish School Board

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



CLAY CORLEY
Superintendent

Status of Prior Year Audit Findings and Questioned Costs For the Year Ended June 30, 2018

Reference # and title: 2017-001 Billed Central Service Costs

Entity-Wide or program/department specific: This finding is entity-wide.

Condition: Central service costs are billed to benefit agencies and/or programs on an individual fee-for-service or similar basis. Adjustments should be made, at least annually, for the difference between the revenue generated by each billed service and the actual allowable costs. Amounts billed to governmental funds for self-insurance premiums should be consistent with actual claim expenditures for the year, to ensure excessive amounts are not accumulated in the applicable self-insurance funds. Furthermore, if funds are transferred from a self-insurance fund to other funds, refunds must be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer. Lastly, ending net position for the self-insurance funds should not exceed more than 2 months of expense.

School Board policy clarifies that the internal service funds were not established with the objective of generating a profit, but rather, to recover over a period of time the total cost of providing the applicable goods or services. Furthermore, excessive reserves in the group medical or dental internal service funds may be transferred to the Other Post-Employment Benefits Trust Fund, if they are not needed to offset future deficits or rate increases in the applicable internal service fund. When reviewing the amounts transferred out of the group medical internal service fund during the year, it was noted that the School Board made a net transfer of \$1,151,397 from the group medical internal service fund to the general fund.

The workers' compensation fund is funded by the State, interest income, and amounts billed to the School Board's individual funds. When analyzing the year-end net position for the workers' compensation internal service fund, it was noted that the workers' compensation fund had excess reserves equal to 194 months of expenses.

Corrective action taken: The School Board has consistently used the same reserve policies for the internal service funds since policy inception in 2014. The group medical and internal service funds will be reviewed at year-end to ensure that no more than two months of expenses are maintained in the reserves. The worker's compensation fund will no longer charge expenses to federal funds so that we can maintain a fund balance that complies with internal policies and funding strategies. This finding is considered to be cleared.

**Status of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018 (continued)**

Reference # and title: **2017-002** **Attendance and Leave Records**

Entity-Wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls require that absences from an assigned position be properly documented and reflected in the payroll records for each employee. Furthermore, proper supervisory approval should be obtained for daily attendance and leave.

When performing a test of leave for a sample of 25 employees who took leave during the month of February 2017, there were 11 exceptions noted where the selected employee/official did not adequately document their daily attendance and 1 exception noted where the employee/official did not adequately document their leave. Also, there were 16 exceptions noted where written documentation was not obtained to support supervisory approval, electronically or in writing, of attendance, 3 exceptions noted where written documentation was not obtained to support supervisory approval, electronically or in writing, of leave and 4 exceptions noted where written documentation was not obtained to support supervisory approval, electronically or in writing, of attendance and leave.

Corrective action planned: See current year finding 2018-001.

Reference # and title: **2017-003** **Electronic Bids for School Food Service**

Entity-Wide or program/department specific: This finding is program specific for the School Food Service program.

Condition: Louisiana Revised Statute 38:2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

When testing a sample of four bids processed by the Child Nutrition department during the year, it was noted that electronic bidding was not offered for the bids processed during the year, as required by state statute.

Corrective action planned: See current year finding 2018-002.

Reference # and title: **2017-004** **Late Submission of Audit Report to Legislative Auditor**

Entity-Wide or program/department specific: This finding is entity-wide.

Condition: R.S. 24:513 A (5)(a)(i) requires that "...audits shall be completed within six months of the close of the entity's fiscal year." The School Board's audit report should be submitted to the Louisiana Legislative Auditor by December 31st each year.

The School Board's audit report for the fiscal year ending June 30, 2017 was not completed within the six month deadline as per R.S. 24:513 A (5)(a)(i).

Corrective action taken: This finding was beyond the control of the School Board and could not be avoided due to audit questions related to the OPEB valuation that we contracted with an actuarial firm to perform. The questions were not answered in a timely manner. Therefore our audit had to be extended. As in all previous years, the DeSoto Parish School Board will do everything within their control to prevent future late submissions. This finding is considered to be cleared.

**Status of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018 (continued)**

Reference # and title: **2017-005** **Billed Central Service Costs**

Federal program and specific federal award identification: This finding relates to Striving Readers, CFDA #84.371 for the Federal Award Year 2016, received from Federal Agency: U.S. Department of Education passed through Louisiana Department of Education. This finding also relates to Teacher Incentive Fund, CFDA #84.374 for Federal Award Year 2016, received from Federal Agency: U.S. Department of Education, passed through National Institute for Excellence in Teaching (NIET).

Condition: Central service costs are billed to benefit agencies and/or programs on an individual fee-for-service or similar basis. Adjustments should be made, at least annually, for the difference between the revenue generated by each billed service and the actual allowable costs. Amounts billed to governmental funds for self-insurance premiums should be consistent with actual claim expenditures for the year, to ensure excessive amounts are not accumulated in the applicable self-insurance funds. Furthermore, if funds are transferred from a self-insurance fund to other funds, refunds must be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer. Lastly, ending net position for the self-insurance funds should not exceed more than 2 months of expense.

School Board policy clarifies that the internal service funds were not established with the objective of generating a profit, but rather, to recover over a period of time the total cost of providing the applicable goods or services. Furthermore, excessive reserves in the group medical or dental internal service funds may be transferred to the Other Post-Employment Benefits Trust Fund, if they are not needed to offset future deficits or rate increases in the applicable internal service fund. When reviewing the amounts transferred out of the group medical internal service fund during the year, it was noted that the School Board made a net transfer of \$1,151,397 from the group medical internal service fund to the general fund.

The workers' compensation fund is funded by the State, interest income, and amounts billed to the School Board's individual funds. When analyzing the year-end net position for the workers' compensation internal service fund, it was noted that the workers' compensation fund had excess reserves equal to 194 months of expenses.

Corrective action taken: The School Board has consistently used the same reserve policies for the internal service funds since policy inception in 2014. The group medical and internal service funds will be reviewed at year-end to ensure that no more than two months of expenses are maintained in the reserves. The worker's compensation fund will no longer charge expenses to federal funds so that we can maintain a fund balance that complies with internal policies and funding strategies. This finding is considered to be cleared.

Reference # and title: **2017-006** **Electronic Bids for School Food Service**

Federal program and specific federal award identification: This finding relates to Child Nutrition Cluster: School Breakfast Program CFDA# 10.553 and National School Lunch Program CFDA# 10.555 for Federal Award Year 2016 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

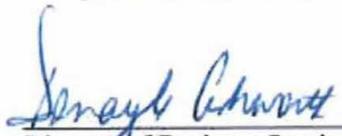
Condition: The School Board is required to perform procurement procedures as contained in 2 CFR sections 200.31 through 200.326. Additionally, the Louisiana Revised Statute 38:2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

**Status of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2018 (continued)**

When testing a sample of four bids processed by the Child Nutrition department during the year, it was noted that electronic bidding was not offered for the bids processed during the year, as required by state statute.

Corrective action planned: See current year finding 2018-002.

Respectively submitted,



Director of Business Services



DeSoto Parish School Board

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



CLAY CORLEY
Superintendent

Corrective Action Plan for Current Year Findings and Questioned Costs For the Year Ended June 30, 2018

Reference # and title: **2018-001** **Attendance Records**

Entity-Wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls require that absences from an assigned position be properly documented and reflected in the payroll records for each employee. Furthermore, proper supervisory approval should be obtained for daily attendance and leave.

When performing a test of attendance and leave for a sample of 5 employees for the month of February 2018, there were 2 exceptions noted where the selected employee/official did not adequately document their daily attendance. Also, there were 4 exceptions noted where written documentation was not obtained to support supervisory approval, electronically or in writing, of attendance.

Corrective action planned: Procedures have been implemented to document attendance for each location. The two employees without documented attendance work in positions that require them to be in different schools and locations on a daily basis without a consistent schedule. The School Board has several positions that operate on an itinerant basis. Maintaining attendance records on these positions will continue to pose a challenge going forward.

Person responsible for corrective action plan:

Donayle Ashworth, Director of Business Services
201 Crosby St.
Mansfield, LA 71052

Telephone: 318-872-2836
Fax: 318-872-1324

Anticipated Completion: July 1, 2018

Reference # and title: **2018-002** **Electronic Bids for School Food Service**

Entity-Wide or program/department specific: This finding is program specific for the School Food Service program.

Condition: Louisiana Revised Statute 38.2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

**Corrective Action Plan for Current Year Findings and Questioned Costs
For the Year Ended June 30, 2018 (continued)**

When testing a sample of two bids processed by the School Food Service department during the year, it was noted that electronic bidding was not offered for the bids processed during the year, as required by State statute.

Corrective action planned: Due to the School Board's audit being extended in the prior year, findings were unknown for the period tested in the audit. Once the findings were known, the School Board revised procedures to include electronic bids for food service purchases.

Person responsible for corrective action plan:

Donayle Ashworth, Director of Business Services
201 Crosby St.
Mansfield, LA 71052

Telephone: 318-872-2836
Fax: 318-872-1324

Anticipated Completion: July 1, 2018

Reference # and title: **2018-003** **Electronic Bids for School Food Service**

Federal program and specific federal award identification: This finding relates to Child Nutrition Cluster: School Breakfast Program CFDA# 10.553 and National School Lunch Program CFDA# 10.555 for Federal Award Year 2016 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

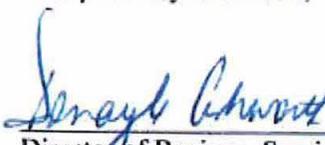
Condition: The School Board is required to perform procurement procedures as contained in 2 CFR sections 200.31 through 200.326. Additionally, the Louisiana Revised Statute 38:2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

Louisiana Revised Statute 38.2212.1 requires public entities to provide, as an additional bidding option, a uniform and secure electronic interactive system for the submission of competitive sealed bids. Public entities providing a secure electronic interactive system shall follow the standards for receipt of electronic bids as required by state statute.

When testing a sample of two bids processed by the Child Nutrition department during the year, it was noted that electronic bidding was not offered for the bids processed during the year, as required by State statute.

SEE FINDING 2018-002 FOR CORRECTIVE ACTION PLANNED, PERSON RESPONSIBLE FOR CORRECTIVE ACTION PLAN AND ANTICIPATED COMPLETION DATE.

Respectively submitted,



Director of Business Services

**Status of Prior Year Management Letter Items
June 30, 2018**

2017-M1 Capital Assets

Comment: When performing audit procedures on capital asset reports provided for the audit at fiscal year-end, the following exceptions were noted:

- When reviewing the year-end depreciation schedule, it was noted that multiple capital assets were included on the listing that were not being depreciated each year. It appears that the assets noted were not marked as depreciable in the capital asset system. Following the identification of this error, the School Board was able to provide a corrected report, which included an adjustment to current year depreciation expense of \$875,773.
- When reviewing the year-end construction in progress listing, it was noted that the softball complex for Mansfield Middle School was completed during the fiscal year and properly added to Land Improvements at year-end. However, the amount was not removed from the CIP listing which resulted in an overstatement of CIP in the amount of approximately \$470,000.
- When reviewing current year additions to capital assets, it was noted that 4 assets totaling an approximate \$238,000 were purchased in June 2017 but were not properly capitalized at year-end.

Recommendation: The School Board should establish policies and procedures to ensure that capital asset information added to the system is correct and complete. Additionally, current year transfers out of CIP to current year capital asset additions are properly removed from the CIP schedule to avoid double-booking of assets.

Management's response: When the depreciation issue was researched it was determined that this had been an issue for several audit years although it was not discovered until this audit period. The assets have all been corrected for future reporting. In addition, the Business Office has added additional steps to the capital assets year-end procedures to ensure that additions, deletions, and depreciation are correctly reported at the fiscal year-end. This matter is considered to be cleared.

2017-M2 Student Activity Funds

Comment: When performing audit procedures on the Student Activity Funds, the following exceptions were noted during the audit of North DeSoto High School for the 2016-2017 year:

- When testing a sample of 15 cash receipts, it was noted that receipts could not be tested for 12 of the cash receipts selected for testing. It was noted that during the school year, the school converted their cash receipt process to issue one cash receipt number for each batch of amounts received; the school no longer issued a pre-numbered receipt for each amount received. Therefore, the auditor was unable to adequately test the receipts selected for testing. When testing the 3 receipts that were able to be adequately tested, there were 2 exceptions noted where the amount received did not have sufficient supporting documentation.
- When discussing collection procedures with school administration, as well as through review of cash receipts, it was noted that the school is not obtaining supporting documentation for amounts sold by the ROTC club in the daily concession stand.
- When testing a sample of 25 cash disbursements, there was 1 exception noted involving lack of proper supporting documentation. This exception was related to a travel advance being paid for meals and fuel without proper supporting documentation.
- When testing a sample of gate proceeds for 8 home games played during the year, there was 1 exception noted where the ticket reconciliation/cash count form for the game did not include appropriate signatures for those working the gates and there were 3 exceptions noted where the ticket reconciliation/cash count form did not include the school principal's approval.

**Status of Prior Year Management Letter Items
June 30, 2018**

- When reviewing a sample of 60 checks written in the month of May 2017, there were four exceptions noted related to insufficient supporting documentation and one exception noted related to an invoice that was paid untimely.

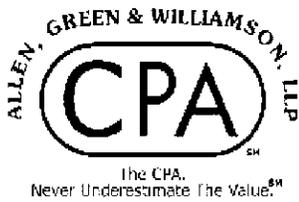
Recommendation: The School Board should provide training as needed to ensure that school personnel is aware of the requirements of the school activity fund policy manual. Furthermore, the School Board should continue to perform yearly audits of a sample of schools to ensure schools are following the established policy.

Management's response:

- The school no longer issues one cash receipt number for a batch of amounts. The bookkeeper now issues pre-numbered receipts for each amount received, when it is received. Duplicate receipts are generated and the class/club sponsors or coaches are given a receipt of the money they collect and one is filed by the bookkeeper with the cash receipt record.
- Concession stand sales are now being tracked and all clubs are providing the bookkeeper with a weekly inventory of the concessions on hand which allows for sales to be tracked and reconciled to the deposits submitted.
- Copies of receipts are now being attached to both the check documentation and the cash receipt documentation.
- All of the coaches/gate workers are instructed to have all forms completed, signed, and approved by the principal upon ending of the game. The principal will pay close attention to the forms to be sure they are complete and signed by the gate workers before he signs as final approval. Before the filing of the cash receipt, the bookkeeper will review and follow up if any information is missing.
- A "gold sheet" check request is not prepared unless the bookkeeper has an invoice or other supporting documentation for the payment. As for the late payment of an invoice, it was due to the coach not getting the invoice submitted for payment until after the due date. To correct this from happening again, "Accounts Payable" will be printed on the billing address instead of an individual's name.

This matter is considered to be cleared.

AGREED UPON PROCEDURES



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Sandra Harper, CPA
Jennie Henry, CPA
Malloy Stone, CPA
Audit Manager: Margie Williamson, CPA

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of DeSoto Parish School Board, Mansfield, Louisiana, and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures for the period April 1, 2017 through March 31, 2018. The School Board's management is responsible for those control and compliance areas identified in these Statewide Agreed-Upon Procedures (SAUPs). 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Comment:

Purchasing – There were no written policies and procedures noted regarding the process for adding vendors to the vendor listing.

Receipts – There is no written policy regarding the process of receipt processing at Central Office.

Management Response: Due to the extension on filing the 2016-17 report, many findings were unknown by the time the fieldwork for 2017-18 was conducted. Written procedures were implemented during the 2017-18 year for adding vendors and the processing of receipts at Central Office.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Comment: These procedures were not required to be tested in the current year due to no exceptions being noted in the prior year.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Comment: When reviewing personnel and processes at a sample of five deposit sites, there were six exceptions noted involving two schools where the person responsible for cash collection was also responsible for making deposits, recording the transaction and reconciling the bank account.

Management's Response: When refining procedures to comply with the Statewide AUPs, a cost versus benefit analysis must be considered. When possible this requirement will be adhered to. However, in most of our schools this is going to be cost prohibitive which results in the exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Comment: When reviewing a sample of 10 deposits, there was one exception noted where there was no documentation of date of receipt so we were unable to verify timeliness of deposit.

Management’s Response: When refining procedures to comply with the Statewide AUPs, a cost versus benefit analysis must be considered. When possible this requirement will be adhered to. However, making daily deposits is not always reasonable especially for minimal amounts.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Comment: Two exceptions were noted where employees responsible for processing payments also mailed the checks.

Management's Response: When refining procedures to comply with the Statewide AUPs, a cost versus benefit analysis must be considered. When possible this requirement will be adhered to. However, in most of our schools this is going to be cost prohibitive which results in the exceptions noted.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Comment: These procedures were not required to be tested in the current year due to no exceptions being noted in the prior year.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: These procedures were not required to be tested in the current year due to no exceptions being noted in the prior year.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Comment: These procedures were not required to be tested in the current year due to no exceptions being noted in the prior year.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Comment: Two exceptions were noted in testing attendance for a sample of 5 employees where attendance was not recorded and four exceptions were noted where attendance records were not approved by a supervisor.

Management's Response: Procedures have been implemented to document attendance for each location. The two employees without documented attendance work in positions that require them to be in different schools and locations on a daily basis without a consistent schedule. The School Board has several positions that operate on an itinerant basis. Maintaining attendance records on these positions will continue to pose a challenge going forward.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Comment: These procedures were not required to be tested in the current year due to no exceptions being noted in the prior year.

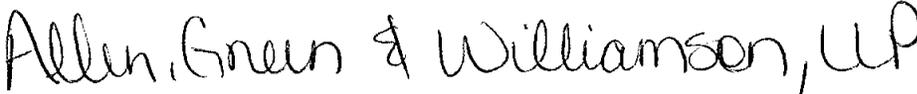
Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: These procedures were not required to be tested in the current year due to no exceptions being noted in the prior year.

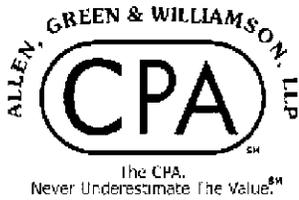
We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance area identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional 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 control and compliance area 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 Louisiana Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 28, 2018

ALLEN, GREEN & WILLIAMSON, LLP



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the DeSoto Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the DeSoto Parish School Board for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514(I.) Management of the School Board is responsible for the performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures 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:

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 among 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: There were no exceptions noted as a result of applying agreed upon procedures.

Class Size Characteristics (Schedule 2)

Education Levels of Public School Staff

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Education Levels/Experience of Public School Staff (No Schedule)

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

Public School Staff Data: Average Salaries (No Schedule)

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

Comment: There were no exceptions noted as a result of applying agreed upon procedures.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the DeSoto Parish School Board, as required by Louisiana Revised Statute 24:514(I) and the results of the testing, and not to provide an opinion on the sufficiency of the procedures. Accordingly this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

ALLEN, GREEN & WILLIAMSON, LLP

Allen, Green & Williamson, LLP

Monroe, Louisiana
December 28, 2018

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Class Size Characteristics
As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	20.25%	66	66.56%	217	13.19%	43	0.00%	0
Elementary Activity Classes	20.83%	10	66.67%	32	6.25%	3	6.25%	3
Middle/Jr. High	39.64%	109	21.09%	58	37.45%	103	1.82%	5
Middle/Jr. High Activity Classes	50.00%	27	16.67%	9	12.96%	7	20.37%	11
High	64.02%	363	25.93%	147	9.88%	56	0.18%	1
High Activity Classes	55.70%	44	21.52%	17	13.92%	11	8.86%	7
Combination	67.40%	244	25.14%	91	7.46%	27	0.00%	0
Combination Activity Classes	71.74%	33	13.04%	6	10.87%	5	4.35%	2

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