

DeSoto Parish School Board

Mansfield, Louisiana



Comprehensive Annual Financial Report

for the year ended June 30, 2011

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

DEC 21 2011

Release Date _____

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

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

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

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

For the Year Ended June 30, 2011

Mr. Larry "Mark" Ross
President

Mr. Walter C. Lee
Superintendent

Mr. Steven Stanfield
Director of Business Services

Prepared by the Business Department



DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Table of Contents

| INTRODUCTORY SECTION | <u>Page(s)</u> |
|---|---------------------------------|
| Transmittal Letter | 11-16 |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | 17 |
| ASBO Certificate of Excellence in Financial Reporting | 18 |
| Organizational Chart | 19 |
| Elected School Board Members | 20 |
| Selected Administrative Officials | 21 |
| | |
| FINANCIAL SECTION | <u>Statement</u> <u>Page(s)</u> |
| Independent Auditor's Report | 25-26 |
| Required Supplemental Information | |
| Management's Discussion and Analysis (MD&A) | 28-45 |
| Basic Financial Statements | |
| Government-wide Financial Statements (GWFS) | |
| • Statement of Net Assets | A 47 |
| • Statement of Activities | B 48 |
| Fund Financial Statements (FFS) | |
| • Governmental Funds: | |
| ▪ Balance Sheet | C 50-51 |
| ▪ Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | D 53 |
| ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances | E 54-57 |
| ▪ Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities | F 58 |
| • Proprietary Funds: | |
| ▪ Statement of Net Assets | G 59 |
| ▪ Statement of Revenues, Expenses, and Changes in Fund Net Assets | H 60 |
| ▪ Statement of Cash Flows | I 61 |
| • Fiduciary Fund: | |
| ▪ Statement of Fiduciary Net Assets | J 62 |
| ▪ Statement of Changes in Fiduciary Net Assets | K 63 |
| Notes to the Basic Financial Statements | |
| • Index | 64 |
| • Notes | 65-85 |

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Table of Contents, Continued

| Required Supplemental Information | <u>Exhibit</u> | <u>Page(s)</u> |
|---|-----------------------|-----------------------|
| Schedule of Funding Progress For Other Post Employment Benefit Plan | | 87 |
| Schedule of Employer Contributions For Other Post Employment Benefit Plan | | 88 |
| Budgetary Comparison Schedule | | 89 |
| • General Fund | 1-1 | 90-91 |
| • Notes to Budgetary Comparison Schedules | | 92 |
| | | |
| Supplemental Information | <u>Exhibit</u> | <u>Page(s)</u> |
| • Combining Nonmajor Governmental Funds – By Fund Type | | |
| ▪ Combining Balance Sheet – By Fund Type | 2 | 95 |
| ▪ Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type | 3 | 96-97 |
| • NONMAJOR SPECIAL REVENUE FUNDS | | 98-99 |
| ▪ Combining Balance Sheet | 4 | 100-103 |
| ▪ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 5 | 104-111 |
| ▪ Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual | | |
| ◆ Title I | 6-1 | 112 |
| ◆ Title II | 6-2 | 113 |
| ◆ Title III | 6-3 | 114 |
| ◆ Title IV | 6-4 | 115 |
| ◆ 7 Mill Maintenance Tax | 6-5 | 116 |
| ◆ Special Education | 6-6 | 117 |
| ◆ Prevention and Wellness ARRA | 6-7 | 118 |
| ◆ Teacher Incentive | 6-8 | 119 |
| ◆ Jobs for America’s Graduates | 6-9 | 120 |
| ◆ School Food Service | 6-10 | 121 |
| ◆ Vocational Education | 6-11 | 122 |
| ◆ Instructional Enhancement Program | 6-12 | 123 |
| ◆ Reading First | 6-13 | 124 |
| ◆ Early Childhood Development | 6-14 | 125 |
| ◆ School Improvement | 6-15 | 126 |
| ◆ Education Jobs Fund | 6-16 | 127 |

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Table of Contents, Continued

| | | |
|---|----|---------|
| • NONMAJOR DEBT SERVICE FUNDS | | 129 |
| ◆ Combining Balance Sheet | 7 | 130-131 |
| ◆ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 8 | 132-133 |
| • NONMAJOR CAPITAL PROJECT FUNDS | | 134 |
| ▪ Combining Balance Sheet | 9 | 135 |
| ▪ Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 10 | 136 |
| • INTERNAL SERVICE FUNDS | | 137 |
| ▪ Combining Statement of Net Assets | 11 | 138 |
| ▪ Combining Statement of Revenue, Expenses, and Changes in Fund Net Assets | 12 | 139 |
| ▪ Combining Statement of Cash Flows | 13 | 140 |
| • AGENCY FUNDS | | 141 |
| ▪ Statement of Changes in Assets and Liabilities | 14 | 142 |
| ▪ Statement of Changes in Deposits Due Others | 15 | 143 |
| • CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS | | 144 |
| ▪ Schedule by Sources | 16 | 145 |
| ▪ Schedule by Function and Activity | 17 | 146 |
| ▪ Schedule of Changes in Capital Assets by Function and Activity | 18 | 147 |
| • GENERAL | | |
| ▪ Schedule of Compensation Paid to Board Members | 19 | 148 |

STATISTICAL SECTION

Contents

| | <u>Table</u> | <u>Page(s)</u> |
|---|--------------|----------------|
| | | 151-152 |
| Net Assets by Component | 1 | 153 |
| Changes in Net Assets | 2 | 154 |
| Fund Balances of Governmental Funds | 3 | 155 |
| Changes in Fund Balances of Governmental Funds | 4 | 156 |
| Assessed Value and Estimated Actual Value of Taxable Property | 5 | 157 |
| Overlapping Governments | 6 | 158 |
| Principal Property Taxpayers | 7 | 159 |
| Property Tax Levies and Collections | 8 | 160 |
| Sales and Use Tax Rates and Collections- All Governments | 9 | 161 |
| Ratios of Outstanding Debt by Type | 10 | 162 |
| Ratios of General Bonded Debt Outstanding | 11 | 163 |

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Table of Contents, Continued

| | | |
|---|----|-----|
| Direct and Overlapping Governmental Activities Debt | 12 | 164 |
| Legal Debt Margin Information | 13 | 165 |
| Demographic and Economic Statistics | 14 | 166 |
| Principal Employers | 15 | 167 |
| School Building Information | 16 | 168 |
| School Personnel | 17 | 169 |
| Operating Statistics | 18 | 170 |
| Schedule of Insurance in Force | 19 | 171 |

NO-TOP SECRET-INTRODUCTORY



DeSoto Parish School Board

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



WALTER C. LEE
Superintendent

November 19, 2011

RE: Financial Statement Transmittal Letter
for the Fiscal Year Ended June 30, 2011

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, 2011.

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

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

Management's Representations & Internal Control Framework

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

To the Elected School Board Members and
Citizens of DeSoto Parish
November 19, 2011

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.

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, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the DeSoto Parish School Board's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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

Management's Discussion & Analysis (MD&A)

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

PROFILE OF THE DESOTO PARISH SCHOOL BOARD

The DeSoto Parish School Board 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 11 members who are elected from 11 districts for terms of four years.

The School Board operates 11 schools within the parish, employs more than 850 teachers and other school workers, and has a total enrollment exceeding 4,900 pupils. In conjunction with the regular educational programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

To the Elected School Board Members and
Citizens of DeSoto Parish
November 19, 2011

Budget Overview

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

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

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

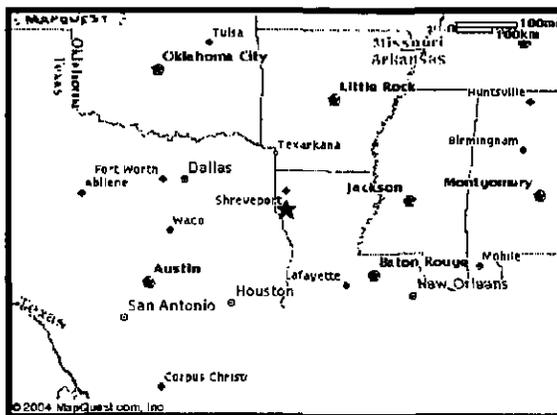
Budget-to-actual comparisons are provided in this report for the General Fund and each individual Special Revenue Fund.

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.

Economic Conditions of the Parish

In February 2008, word about a natural gas reservoir to rival all others in the nation became known to the citizens of DeSoto Parish. A month later, Chesapeake Energy Corporation went public with its claim of discovering the Haynesville Shale which has improved the economic conditions over the past 4 years.



To the Elected School Board Members and
 Citizens of DeSoto Parish
 November 19, 2011

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

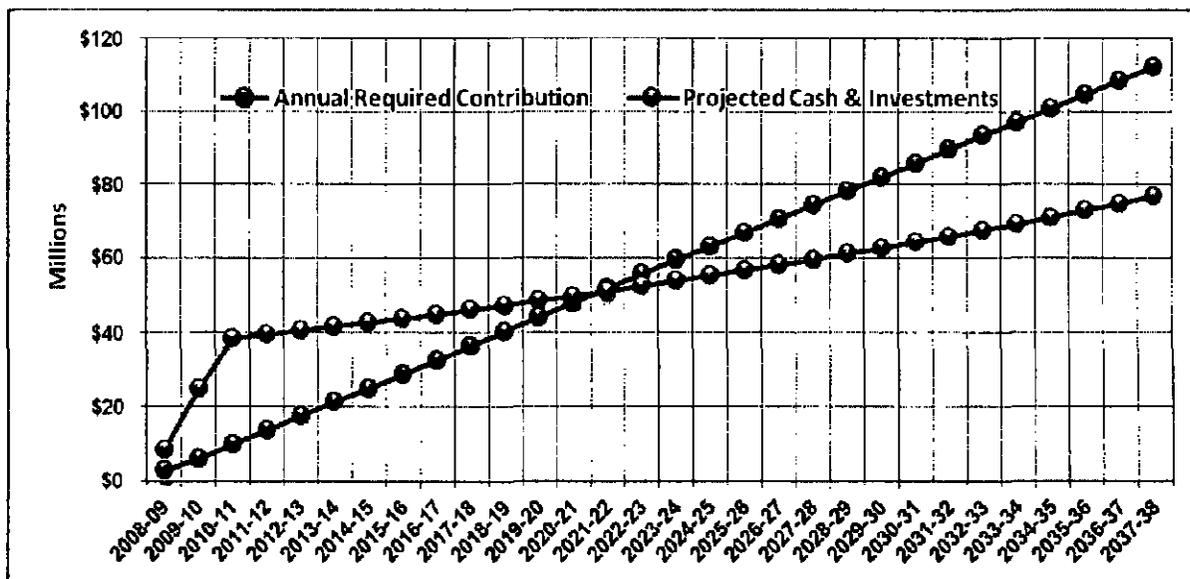
And in March 20, 2011, *The Times* reported the Haynesville Shale as the nation’s top producer by surpassing production of its older competitor, Texas’ Barnett Shale. It was also reported that drilling activities are expected to slow later this year as leases are held to production and operators search out more oil-based plays.

While the Haynesville Shale is still driving the parish’s economy, new businesses are also popping up everywhere. Three new hotels—Best Western, Comfort Inn & Suites, and Super 8—were constructed in 2011 and are now accepting patrons. A new sit-down restaurant called Billy B’s Cajun Grill opened up in July 2011 near Mansfield while commercial construction next to the Wal-Mart Supercenter on State Highway 509 will be the home to Carter Federal Credit Union, Family Dollar, and the Tobacco House. Also, in September 2010, Citizens National Bank opened up a temporary branch in Mansfield before it moved into its newly built 6,000 square foot, 3-story building in August 2011.

Long-term Financial Planning

The DeSoto Parish School Board’s actuarial accrued Other Post Employee Benefits (OPEB) liability of was reduced from \$139.0 to \$113.8 as of July 1, 2010. To deal with this large liability, an irrevocable trust fund was approved on June 4, 2009. Fully funding the OPEB liability by 2037-38 will continue to be difficult and challenging.

As of June 30, 2011, the funded ratio of the OPEB liability stands at 33.8%. If no addition monies are added to the OPEB Trust of \$38.5 million, it is anticipated the funding ratio would reach 67.3% by 2037-38 as shown in the graph below.



To the Elected School Board Members and
Citizens of DeSoto Parish
November 19, 2011

When the green line reaches the red line, the Board will discontinue setting aside money for its OPEB liability. Until then, the current funding strategies were reviewed with changes being made to the 2011-12 fiscal year Operating Budget as follows:

- Continue the transfer only one-time lease bonus payments from 16th Section and Other Real Property.
- Continue the transfer from reserve of any monies in the Internal Service Fund that exceeds 25% of Total Operating Expenses at the end of the fiscal year.
- Transfer 20% of the Sales & Use Tax Revenues that exceed \$43 million instead transferring 20% that exceeds \$38 million.

Major Initiatives

The Teacher Advancement Program (TAP) Model that was piloted at North DeSoto Middle School and Mansfield High School in fiscal year 2008-09 has been a success for the DeSoto Parish School Board. TAP gives increased attention to Grade Level Expectations, School Improvement Planning, and has raised schools and school district performance scores.

The TAP model was in 10 of the 11 schools during the 2010-11 school year with the overall cost exceeding \$2.4 million. A list of the schools and the number of years they have been in TAP is shown below.

3rd Year TAP

Mansfield High
North DeSoto Middle

2nd Year TAP

Logansport Elementary
Logansport High
North DeSoto High

1st Year TAP

Mansfield Middle
North DeSoto Elementary PK-2
North DeSoto Elementary 3-5
Pelican All-Saints High
Stanley High

Relevant Financial Policies

The DeSoto Parish School Board's Annual Operating Budget, which was approved in December 2008, establishes a minimum General Fund – Fund Balance of 15% to total General Fund expenditures during the budget process. This policy is intended to keep the school system from having financial problems and to improve its financial position in future years. This was successfully achieved for the fiscal year that ended on June 30, 2011 by maintaining an 18.5% ratio for the past 3 years.

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, 2010. This was the 20th 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.

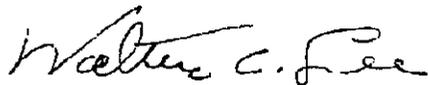
To the Elected School Board Members and
Citizens of DeSoto Parish
November 19, 2011

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, 2010. This was the 20th consecutive year that the DeSoto Parish School Board has received this prestigious award. The award represents a significant achievement by the School Board and reflects our commitment to the highest standards of school system financial reporting.

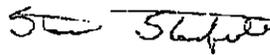
The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the certificate requirements, and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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



Walter C. Lee, Superintendent
DeSoto Parish Schools



Steven Stanfield, Director of Business
Services

**DeSoto Parish School Board
Mansfield, Louisiana**

Certificate of Achievement for Excellence in Financial Reporting

**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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

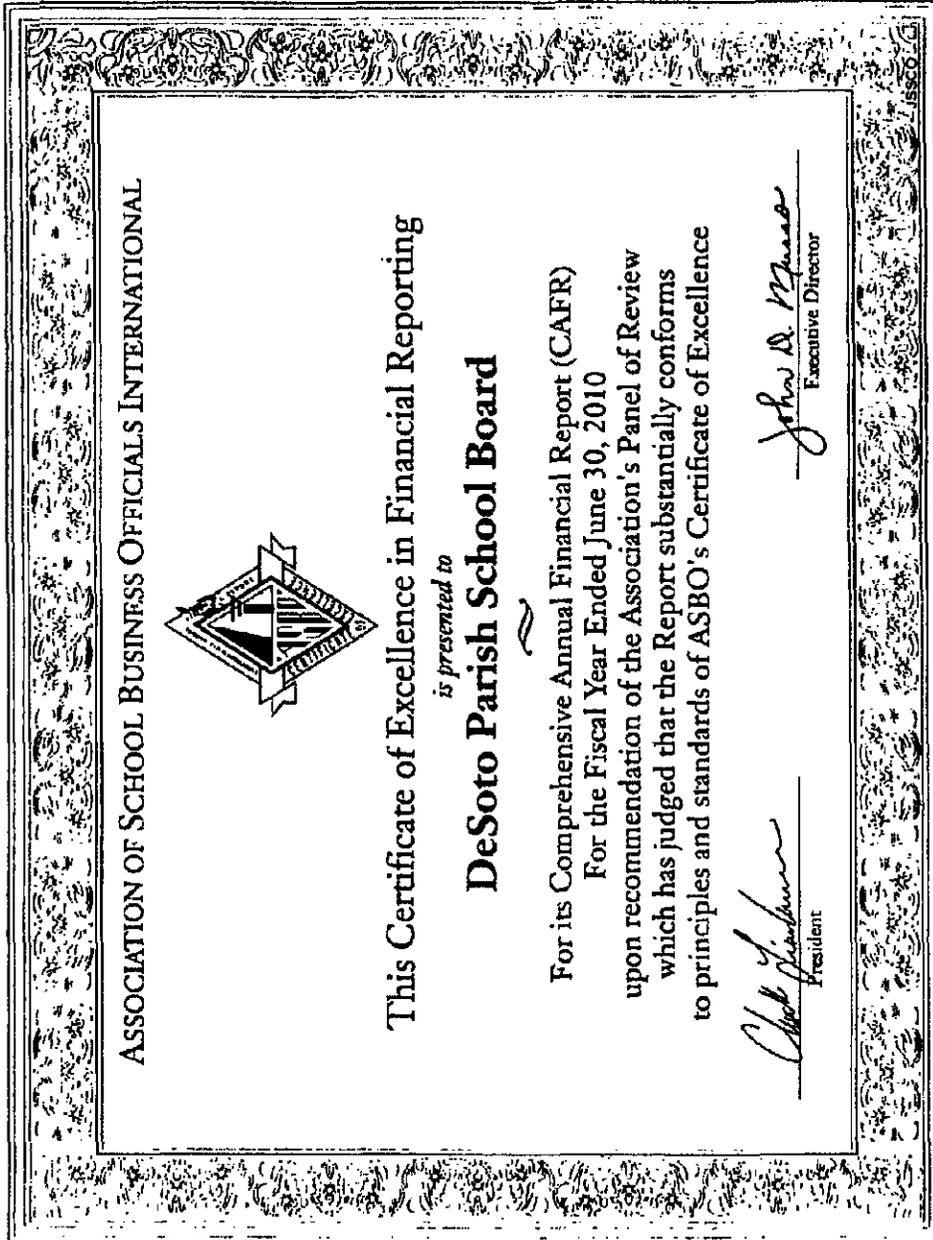


President

Executive Director

DeSoto Parish School Board
Mansfield, Louisiana

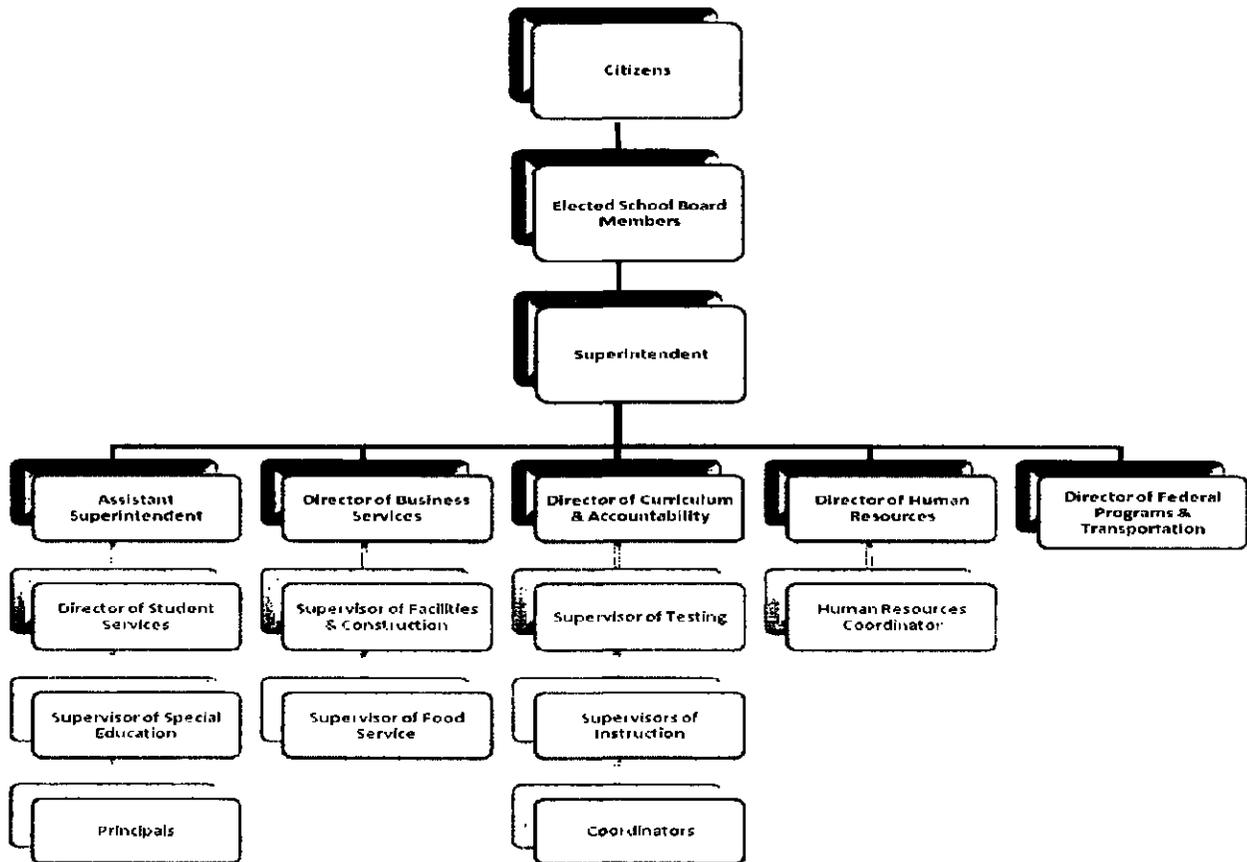
Certificate of Excellence in Financial Reporting



**DeSoto Parish School Board
Mansfield, Louisiana**

Organizational Structure as of June 30, 2011

The organizational chart shown below is 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 as of June 30, 2011



President
Mr. Larry "Mark" Ross
District No. 8



Vice President
Mr. Johnny Haynes
District No. 7



Finance Committee Chairman
Mr. Donald "Donny" Dufour
District No. 4



Mr. Dudley Glenn
District No. 1



Dr. Robert "Neil" Henderson
District No. 2



Mr. McLawrence Fuller
District No. 3



Mr. Steavy Clark
District No. 5



Mr. Coday Johnston
District No. 6



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



Mr. Douglas "Barthlomew"
Claiborne
District No. 10

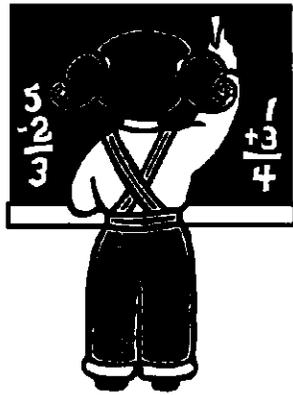


Mr. L.J. Mayweather, Jr.
District No. 11

Mansfield, Louisiana

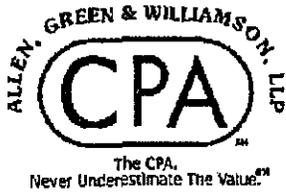
Selected Administrative Officials as of June 30, 2011

| <u>Name</u> | <u>Title</u> | <u>Years Experience</u> | <u>Began as an Administrator</u> |
|----------------------------|--|-------------------------|----------------------------------|
| Mr. Walter C. Lee | Superintendent | 48 | 07-1989 |
| Ms. Sherry Brokenberry | Supervisor of Food Service | 34 | 10-2001 |
| Mr. Preston "Cade" Brumley | Assistant Superintendent | 9 | 08-2011 |
| Mrs. Jo Carroll | Early Childhood Coordinator | 35 | 08-2003 |
| Dr. Gary Clarke | Supervisor of Special Education | 12 | 08-2007 |
| Mrs. Tammy Cole | Coordinator of Instruction - High School | 18 | 07-2005 |
| Mr. Clinton Fuller | Supervisor of Testing | 19 | 01-2008 |
| Mr. Debra Gamble | Director of Human Resources | 29 | 08-2004 |
| Mr. Darrell Hampton | Director of Student Services | 20 | 08-2011 |
| Mr. Willie Jones | Director of Federal Programs and Transportation | 32 | 07-1996 |
| Mrs. Janice Lingle | Coordinator of Human Resources | 22 | 06-2006 |
| Mrs. Kathy Noel | Director of Curriculum & Instruction | 28 | 07-1999 |
| Mrs. Lisa Register | Coordinator of Technology | 23 | 07-2004 |
| Mr. David Rougeau | Supervisor of Facilities & Construction | 32 | 07/2010 |
| Mr. Steven Stanfield | Director of Business Services | 29 | 01-1985 |
| Mrs. Harriet Woodard | Coordinator of Instruction - Elementary & Middle | 32 | 07-2005 |



Financial - Notices

Financial - aia - notices



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

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

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jaunicia Mercer, CPA
Cindy Thomason, CPA

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

INDEPENDENT AUDITORS' REPORT

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have audited the accompanying 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, 2011, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 School Board as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2011 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Funding Progress for Other Post Employment Benefit Plan, and Schedule of Employer Contributions for Other Post Employment Benefit Plan, as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the *basic* financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the Introductory and Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2011

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

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, 2011. 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 2010-11 fiscal year include the following:

- Statement of Net Assets – The assets of the DeSoto Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$132,119,561 (net assets). Of this amount, \$74,570,720 (unrestricted net assets) may be used to meet the government's obligations to students and creditors.
- Statement of Activities – The total net assets of the DeSoto Parish School Board increased by \$33,157,492 for the year ended June 30, 2011. This is a 33.5% increase from last fiscal year and is largely due to the increase in sales and use tax revenues of approximately \$19.0.
- 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 \$64,056,429, an increase of \$13,846,942 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$14.2 million for spending within the General Fund, (2) \$3.8 million which is reserved for the payment of outstanding bond issues within the Debt Service Funds, and (3) \$37.2 million which is designated for specific construction projects within the Capital Projects Funds.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2011 for the governmental funds of the DeSoto Parish School Board amounted to \$129,015,940. Approximately 89.0% of this amount is received from three major revenue sources: (1) \$21.1 million from Grants & Contributions Not Restricted to Specific Programs, (2) \$21.6 million from local ad valorem taxes, and (3) \$73.1 million from local sales and use taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, fund balance for the General Fund, a major fund, was \$14,154,918, or 18.5% of total General Fund expenditures. Approximately \$5.4 million is committed for future claims and contingencies, equipment replacement, and specific projects, while \$8.8 million is unassigned and available for spending at the Board's discretion.
- Capital Assets – Total capital assets (net of depreciation) were \$87,803,372 or 70.8% of the total capital assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The DeSoto Parish School Board's total debt decreased \$1,743,000 (4.3%) during the current fiscal year. The school system outstanding debt at June 30, 2011 includes General Obligation Bonds of \$29.1 million, Limited Tax Revenue Bonds of \$8.7 million, and Certificates of Indebtedness of \$640,000. The primary reason for the decrease was the annual principal payments for all outstanding long-term debt issues.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

Overview of the Financial Statements

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

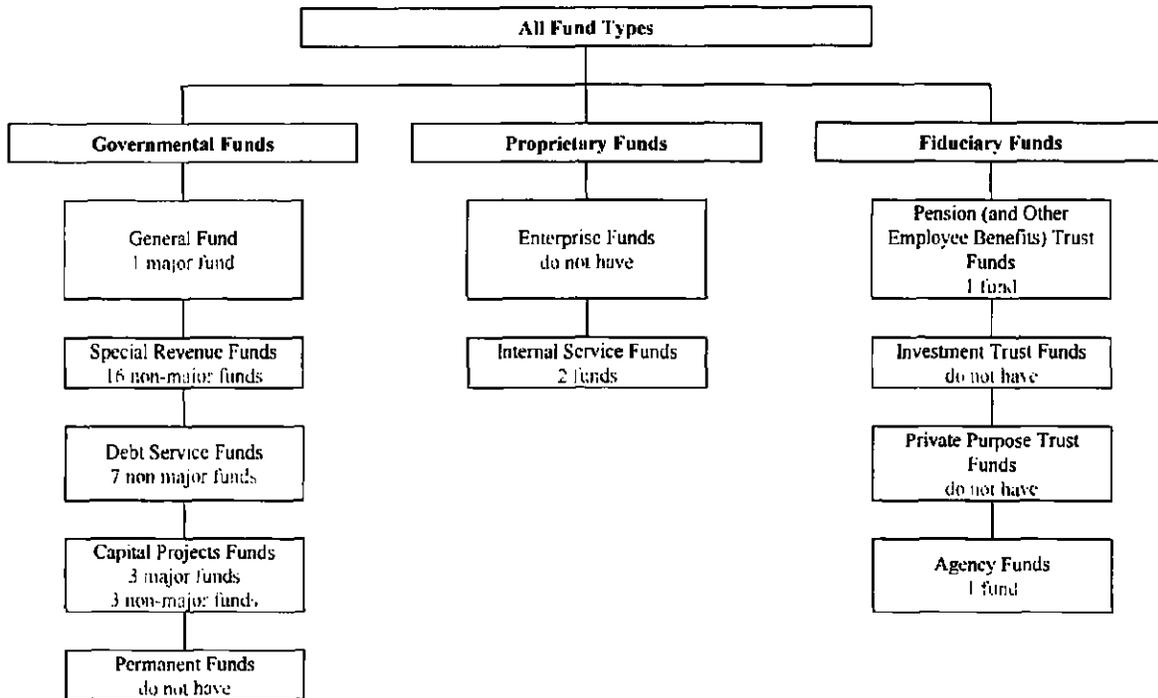
Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the DeSoto Parish School Board's finances, in a manner similar to a private-sector business.

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

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

All of the funds of the DeSoto Parish School Board are categorized in one of 11 fund types. Each fund type and the number of individual funds operated by the DeSoto Parish School Board for FY 2010-11 are listed in the chart on the next page.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2011



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

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

Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the (a) General Fund, (b) the School District No. 2 Capital Projects Fund, (c) the Parishwide Capital Projects Fund, and (d) the School District No. 4 Capital Projects Fund which are considered to be the only major funds. Data for the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the DeSoto Parish School Board, assets exceed liabilities by \$132,119,561 at the close of the most recent fiscal year.

A portion of the DeSoto Parish School Board's total net assets of approximately \$52.2 million (39.5%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the DeSoto Parish School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2011

DeSoto Parish School Board's Net Assets

Statement of Net Assets

| | <u>June 30, 2011</u> | <u>June 30, 2010</u> |
|---|------------------------------|------------------------------|
| Current and other assets | \$ 80,280,319 | \$ 69,541,844 |
| OPEB assets | 19,872,506 | 15,923,419 |
| Capital assets - Net of Depreciation | <u>87,803,372</u> | <u>71,886,748</u> |
| Total assets | <u>\$ 187,956,197</u> | <u>\$ 157,352,011</u> |
| | | |
| Current and other liabilities | \$ 10,672,891 | \$ 12,168,772 |
| Long-term liabilities | <u>45,163,745</u> | <u>46,221,170</u> |
| Total liabilities | <u>\$ 55,836,636</u> | <u>\$ 58,389,942</u> |
| | | |
| Net assets: | | |
| Invested in capital assets, net of related debt | \$ 52,187,331 | \$ 42,351,067 |
| Restricted | 5,361,510 | 36,577,690 |
| Unrestricted | <u>74,570,720</u> | <u>20,033,312</u> |
| Total net assets | <u>\$ 132,119,561</u> | <u>\$ 98,962,069</u> |

A portion of the School Board's net assets of \$5,361,510 are reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and to limit the School Board from using these funds for day-to-day operations. The remaining balance of unrestricted net assets totaling \$74,570,720 may be used to meet the School Board's ongoing obligations to citizens and creditors. Governmental activities increased the DeSoto Parish School Board's net assets by \$33,157,492 which was a 33.5% gain in the net assets. Key elements of this increase are as follows:

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

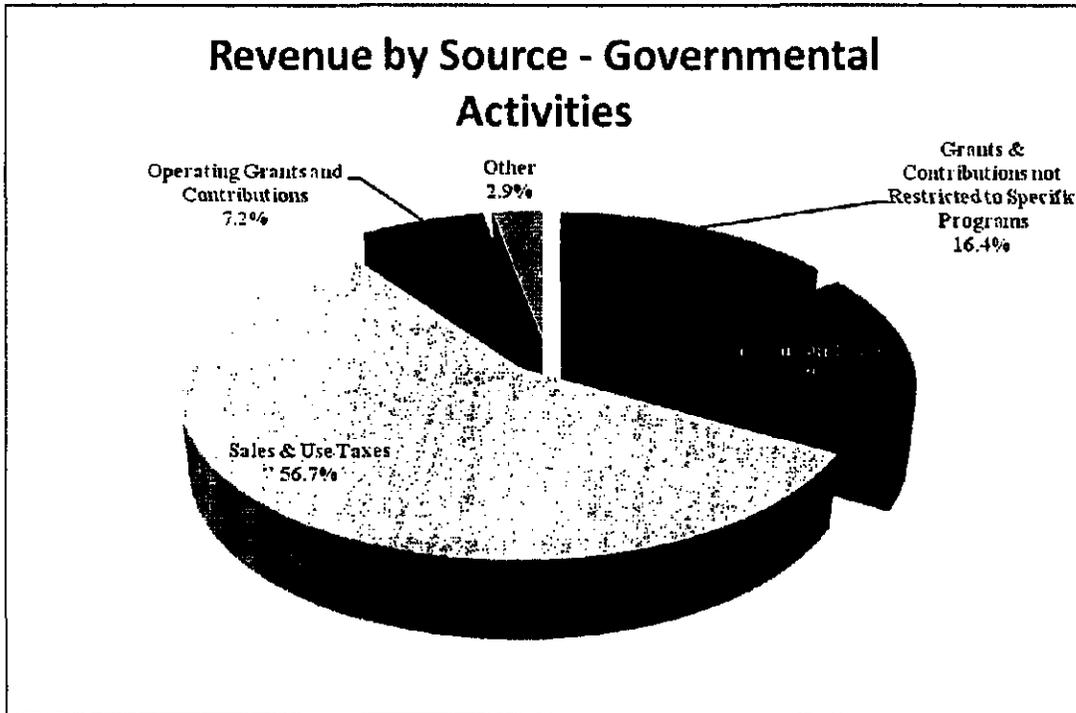
DeSoto Parish School Board's Changes in Net Assets

| | <u>June 30, 2011</u> | <u>June 30, 2010</u> | <u>Increase (Decrease)</u> |
|--|-----------------------|-----------------------|--------------------------------|
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 336,417 | \$ 348,525 | \$ (12,108) |
| Operating grants and contributions | 9,282,812 | 10,582,869 | (1,300,057) |
| Capital Grants and contributions | - | 10,578 | (10,578) |
| General revenues: | | | |
| Ad valorem taxes | 21,642,164 | 20,818,609 | 823,555 |
| Sales taxes | 73,086,778 | 54,097,912 | 18,988,866 |
| Grants and contributions not restricted to specific programs – Minimum Foundation Program | 19,965,412 | 22,094,768 | (2,129,356) |
| Interest on investments | 412,402 | 360,648 | 51,754 |
| Other general revenues | 4,124,947 | 7,032,835 | (2,907,888) |
| Total revenues | <u>\$ 128,850,932</u> | <u>\$ 115,346,744</u> | <u>\$ 13,504,188</u> |
| Expenses: | | | |
| Instruction: | | | |
| Regular programs | 31,478,048 | 25,478,383 | 5,999,665 |
| Special programs | 23,113,551 | 19,443,872 | 3,669,679 |
| Adult/continuing education | 8,770 | 149,490 | (140,720) |
| Support services: | | | |
| Pupil support services | 4,099,771 | 3,196,266 | 903,505 |
| Instructional staff support services | 5,058,454 | 4,388,127 | 670,327 |
| General administration | 2,308,525 | 2,082,881 | 225,644 |
| School administration | 5,388,183 | 4,307,502 | 1,080,681 |
| Business services | 1,613,261 | 1,206,676 | 406,585 |
| Plant services | 9,308,603 | 9,749,430 | (440,827) |
| Student transportation services | 6,429,010 | 5,454,720 | 974,290 |
| Central services | 351,811 | 290,632 | 61,179 |
| Non-Instructional Services: | | | |
| Food services operations | 4,892,492 | 4,022,065 | 870,427 |
| Debt service – interest on long-term obligations | 1,642,961 | 1,457,915 | 185,046 |
| Total expenses | <u>\$ 95,693,440</u> | <u>\$ 81,227,959</u> | <u>\$ 14,465,481</u> |
| Increase in net assets | 33,157,492 | 34,118,785 | (961,293) |
| Net assets at beginning of the year | <u>98,962,069</u> | <u>64,843,284</u> | <u>34,118,785</u> |
| Net assets at end of year | <u>\$ 132,119,561</u> | <u>\$ 98,962,069</u> | <u>\$ 33,157,492</u> |

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011



Revenues by Source – Governmental Activities

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

| <u>Fiscal Year</u> | <u>General Fund</u> | <u>School Food Service Fund</u> | <u>Nonmajor Debt Service Funds</u> | <u>Capital Projects Funds</u> | <u>Total Sales & Use Tax Collections</u> | <u>Percentage Increase or (Decrease)</u> |
|--------------------|---------------------|---------------------------------|------------------------------------|-------------------------------|--|--|
| 2008-09 | \$ 21,265,780 | \$ 1,119,252 | \$ 609,869 | \$ 4,986,371 | \$ 27,981,272 | 100.4% |
| 2009-10 | 32,777,912 | 1,400,000 | 354,500 | 19,565,500 | 54,097,912 | 93.3% |
| 2010-11 | 39,511,337 | 2,120,000 | 2,021,503 | 29,433,938 | 73,086,778 | 35.1% |

In FY 2010-11, the School Board deposited \$73,086,778 of sales and use tax revenues into the General Fund, School Food Service, Debt Service Funds, and Capital Projects Funds. This represents 56.7% of the total revenues received. Total collections increased approximately 35.1% or \$19.0 million in fiscal year 2010-11 even though the 2½% sales tax rate did not increase. Much of this increase is attributed to the exploration of natural gas known nationally as the Haynesville Shale.

- **Ad Valorem Tax Revenues:** Ad valorem tax revenues, also called property tax revenues, are the second largest source of revenue for the School Board. Ad valorem collections are based upon the number of mills (approved annually by the School Board) and the taxable assessed value (established by the DeSoto Parish Tax Assessor),

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

subject to the limitations approved by the voters and the Louisiana Legislature. The chart below lists the ad valorem tax deposits for the past 3 years.

| <u>Fiscal Year</u> | <u>General Fund</u> | <u>Nonmajor</u> | <u>Nonmajor</u> | <u>Total Ad Valorem Taxes</u> | <u>Increase (Decrease)</u> | |
|--------------------|---------------------|------------------------------|---------------------------|-------------------------------|----------------------------|----------------|
| | | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | | <u>Amount</u> | <u>Percent</u> |
| 2008-09 | \$ 12,381,668 | \$ 2,028,101 | \$ 3,167,309 | \$ 17,577,078 | \$ 1,459,337 | 9.1% |
| 2009-10 | 15,267,259 | 2,354,340 | 3,197,010 | 20,818,609 | 3,241,531 | 18.4% |
| 2010-11 | 15,410,383 | 2,996,832 | 3,234,949 | 21,642,164 | 823,555 | 4.0% |

In FY 2010-11, the School Board deposited \$21,642,164 of ad valorem tax revenues into the General Fund, 7-Mill Maintenance Tax Fund, and the Debt Service Funds. This represents 16.8% of the total revenues received and is an increase of approximately \$823,500 from the prior fiscal year with the majority or \$642,000 being deposited into the 7-Mill Maintenance Tax Fund.

- **Grants and Contributions Not Restricted To Specific Programs:** The third largest source of revenue to the DeSoto Parish School Board is reported in the "Grants and Contributions Not Restricted to Specific Programs." Much of the money comes from the State of Louisiana through the distribution of approximately \$3.1 billion to 69 public school systems and is commonly known as the Minimum Foundation Program (MFP) which helps pay for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution of the MFP is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The chart below lists the actual increases or decreases in the "Grants and Contributions Not Restricted to Specific Programs" for the past 3 years.

| <u>Fiscal Year</u> | <u>Minimum Foundation Program (MFP)</u> | <u>State Revenue Sharing</u> | <u>Unrestricted State Grants</u> | <u>Total</u> | <u>Percentage Increase or (Decrease)</u> |
|--------------------|---|------------------------------|----------------------------------|---------------|--|
| 2008-09 | \$ 25,221,571 | \$ 320,334 | \$ - | \$ 25,541,905 | 4.9% |
| 2009-10 | 22,094,768 | 339,952 | - | 22,434,720 | -12.2% |
| 2010-11 | 19,965,412 | 302,909 | 838,141 | 21,106,462 | -5.9% |

In FY 2010-11, the School Board received \$21,106,462 or 16.4% of its total revenues from the MFP and State Revenue Sharing. The General Fund deposited \$20.5 million while the remaining \$649,200 was shown in the School Food Service Fund. Most of the \$1,328,258 decrease is from the State lowering the MFP weighted Per-Pupil Amount from \$4,815 to \$4,328 because of the local wealth increasing in DeSoto Parish.

- **Operating Grants and Contributions:** Operating grants and contributions totaled approximately \$9.3 million and are the fourth largest source of revenues for the School Board. Federal grants represent approximately \$8.4 million or 91.0% of the total while state grants represent approximately \$834,600 or 9.0%. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The chart below shows the operating grants and contributions by funding source.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

| <u>Fiscal Year</u> | <u>School Food Service</u> | <u>Title I</u> | <u>Special Education</u> | <u>Other Operating Grants & Contributions</u> | <u>Total</u> | <u>Percentage Increase or (Decrease)</u> |
|--------------------|----------------------------|----------------|--------------------------|---|---------------|--|
| 2008-09 | \$ 1,655,609 | \$ 2,019,424 | \$ 1,261,638 | \$ 5,245,000 | \$ 10,181,671 | 3.2% |
| 2009-10 | 1,761,158 | 2,373,100 | 1,710,439 | 4,738,172 | 10,582,869 | 3.9% |
| 2010-11 | 1,776,221 | 2,697,940 | 1,730,945 | 3,077,706 | 9,282,812 | -12.3% |

In FY 2010-11, the School Board received a 12.3% decrease or \$1.3 million in operating grants and contributions from the prior fiscal year. Of the total operating grants and contributions received, \$6.2 million or 66.8% is received from School Food Service, Title I, and Special Education Programs.

Expenses and Program Revenues – Governmental Activities

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

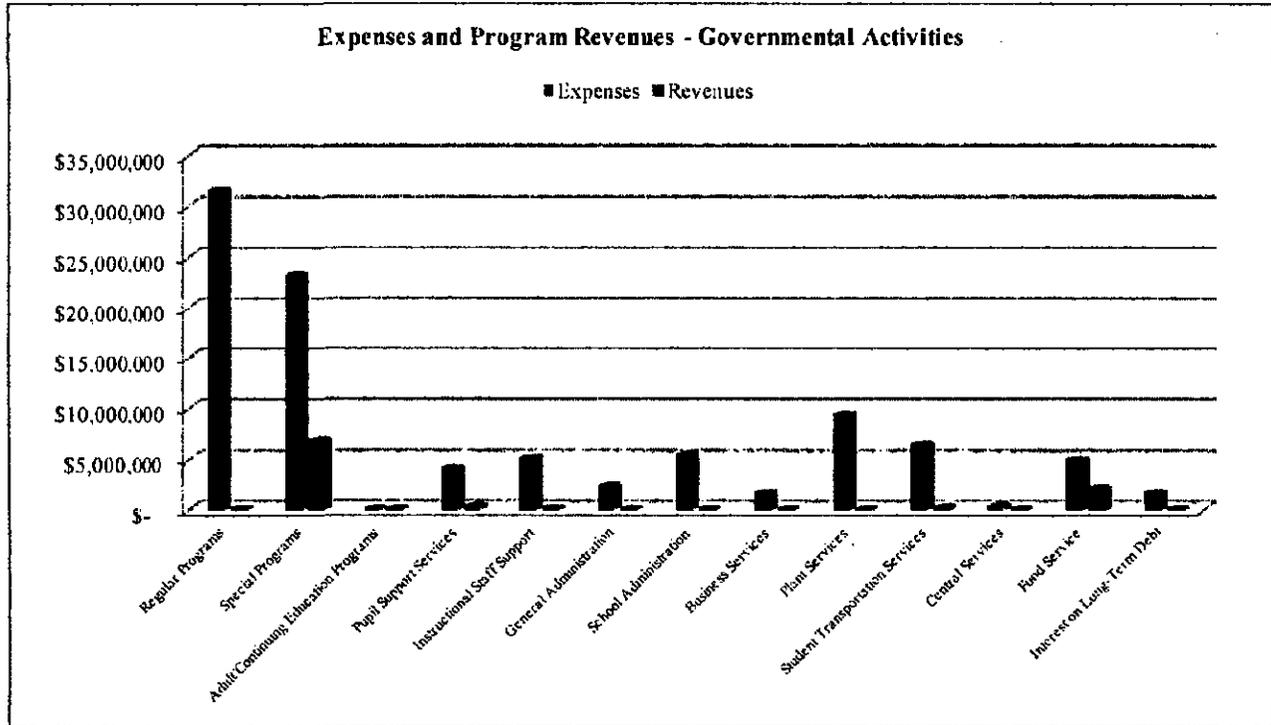
| | <u>June 30, 2011</u> | | <u>June 30, 2010</u> | |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>Program Expenses</u> | <u>Program Revenues</u> | <u>Program Expenses</u> | <u>Program Revenues</u> |
| Regular Programs | \$ 31,478,048 | \$ 73,697 | \$ 25,478,383 | \$ 86,228 |
| Special Programs | 23,113,551 | 6,824,575 | 19,443,872 | 7,202,436 |
| Adult/Continuing Education Programs | 8,770 | - | 149,490 | 43,355 |
| Pupil Support Services | 4,099,771 | 284,144 | 3,196,266 | 522,258 |
| Instructional Staff Support | 5,058,454 | 105,232 | 4,388,127 | 715,570 |
| General Administration | 2,308,525 | - | 2,082,881 | - |
| School Administration | 5,388,183 | - | 4,307,502 | - |
| Business Services | 1,613,261 | 3,976 | 1,206,676 | 3,562 |
| Plant Services | 9,308,603 | - | 9,749,430 | - |
| Student Transportation Services | 6,429,010 | 214,967 | 5,454,720 | 258,880 |
| Central Services | 351,811 | - | 290,632 | - |
| Food Service | 4,892,492 | 2,112,638 | 4,022,065 | 2,109,683 |
| Interest on Long-Term Debt | 1,642,961 | - | 1,457,915 | - |
| Total Governmental Activities | \$ 95,693,440 | \$ 9,619,229 | \$ 81,227,959 | \$ 10,941,972 |

For the fiscal year that ended June 30, 2011, total program expenses of approximately \$95.7 million exceeded total program revenues of approximately \$9.6 million. These net program expenses of \$86,074,211 were funded with other revenues sources of the School Board. The two most funded programs continue to be Special Programs and Food Service.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011



- Instruction:** Expenses for regular programs, special programs, and adult/continuing education are considered instructional services and relate to direct expenses of providing instruction to students. Instruction services for the fiscal year 2010-11 totaled more than \$54.0 million or 55.5% of total governmental activities.

| <u>Fiscal Year</u> | <u>Regular Programs</u> | <u>Special Programs</u> | <u>Adult / Continuing Education</u> | <u>Instruction Total</u> | <u>Increase (Decrease)</u> |
|--------------------|-------------------------|-------------------------|-------------------------------------|--------------------------|----------------------------|
| 2008-09 | \$ 21,967,595 | \$ 17,686,433 | \$ 132,281 | \$ 39,786,309 | 23.5% |
| 2009-10 | 25,478,383 | 19,443,872 | 149,490 | 45,071,745 | 13.3% |
| 2010-11 | 31,478,048 | 23,113,551 | 8,770 | 54,600,369 | 21.1% |

As shown in the chart above, instructional services increased approximately \$9.5 million. The increase for FY 2010-11 can be associated with (a) giving two pay raises costing \$2.4 million, (b) hiring 8 teachers and 18 aides costing \$1.2 million, and (c) adding \$5.4 million to retiree insurance benefits that would be transferred to the Other Post Employees Benefits Trust Fund.

- Support Services:** Support Services relate to those functions that facilitate the Instructional Services. Support services include Pupil Support, Instructional Staff Support, General Administration, School Administration, Business Services, Plant Services, Transportation Services, and Central Services. Support services for the fiscal year 2010-11 totaled approximately \$34.6 million or 36.1% of total governmental activities.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

| Fiscal Year | Instructional | | | | Total Support Services | Increase (Decrease) |
|--------------------|----------------------|-----------------------|-------------------------------|--------------|-------------------------------|----------------------------|
| | Staff Support | Plant Services | Student Transportation | Other | | |
| 2008-09 | \$ 3,552,709 | \$ 6,497,050 | \$ 5,116,331 | \$ 9,660,298 | \$24,826,388 | 37.1% |
| 2009-10 | 4,388,127 | 9,749,430 | 5,454,720 | 11,083,957 | 30,676,234 | 23.6% |
| 2010-11 | 5,058,454 | 9,308,603 | 6,429,010 | 13,761,551 | 34,557,618 | 12.7% |

The chart above shows that Support Services increased \$3.8 million from the prior fiscal year. The majority of the increase for FY 2010-11 can be associated with (a) giving two pay raises costing \$1.7 million, (b) adding 2 office clerks and 2 bus drivers costing \$314,000, and (c) adding \$2.1 million to retiree insurance benefits that would be transferred to the Other Post Employees Benefits Trust Fund.

- **Non-Instructional Services:** Activities concerned with providing non-instructional services to students, staff or the communities are defined as Non-Instructional Services. The only services provided by the DeSoto Parish School Board for this category is Food Service Operations. For fiscal year 2010-11, total expenditures were approximately \$4.9 million or 5.1% of total governmental activities.

| Fiscal Year | Food Services | Increase (Decrease) |
|--------------------|----------------------|----------------------------|
| 2008-09 | \$ 3,980,066 | 7.2% |
| 2009-10 | 4,022,065 | 1.1% |
| 2010-11 | 4,892,492 | 21.6% |

The chart above shows that Non-Instructional Services grew \$870,427 or 21.6% from the prior fiscal year. The increase for FY 2010-11 can be associated with giving two pay raises costing \$400,000 and reducing equipment purchases by the Food Services \$128,000.

- **Debt Service – Interest on Long-term Obligations:** The remaining \$1,642,961 (1.7%) of total governmental activities consists of interest expense on long-term obligations.

| Fiscal Year | Interest on Long Term Obligations | Increase (Decrease) |
|--------------------|--|----------------------------|
| 2008-09 | \$ 1,510,974 | 11.9% |
| 2009-10 | 1,457,915 | -3.5% |
| 2010-11 | 1,642,961 | 12.7% |

Interest on long-term obligations increased \$185,046 from the prior fiscal year because School District No. 2 – North DeSoto started making interest payments on its \$9.0 million Limited Tax Revenue Bonds on September 1, 2010. Over the next 19 years, interest payments on long-term debt obligations will decline annually between \$54,735 and \$101,420. The final long-term debt payment will occur in fiscal year 2031-32 unless additional debt is issued.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

Financial Analysis of Governmental Funds

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

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

- As of the close of the current fiscal year, the DeSoto Parish School Board's governmental funds reported a combined ending fund balance of \$64,056,429, an increase of \$13,846,942 in comparison with the prior fiscal year. The key factors of this increase are as follows:
 - **General Fund** – A surplus exceeding \$2.4 million occurred in FY 2010-11 because of increased Sales & Use Tax Collections and Ad Valorem Tax Revenues. The administrative staff continues to monitor the General Fund – Fund Balance. A ratio between 15% and 20% of total expenditures is kept at all times as a safeguard to keep the school system from having financial problems and to improve the financial condition of the DeSoto Parish School Board. The chart below shows the percentage of the fund balance to expenditures for the past 3 years and for FY 2010-11.

| Fiscal Year | Total Expenditures | Fund Balance | Percentage of Fund Balance to Expenditures |
|------------------------|-------------------------------|-------------------------|---|
| 2007-08 | \$ 45,221,616 | \$ 7,521,542 | 16.6% |
| 2008-09 | 55,485,081 | 8,951,441 | 16.1% |
| 2009-10 | 73,182,739 | 11,705,134 | 16.0% |
| 2010-11 | 76,687,732 | 14,154,918 | 18.5% |

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

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

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

- **School District No. 2 Capital Projects Fund** – School District No. 2 Capital Projects Fund is a major fund that had a \$2.9 million deficit in FY 2010-11. This is not unusual because capital projects are, for the most part, financed through the selling of bonds or saving money over a period of time, where the money is received in one fiscal year and the payment of the capital expenditure extends over several fiscal years. This type of financing will cause a Capital Projects Fund to experience a large surplus in one year followed by a couple of years of deficits in later years.

Several construction projects have occurred in the past 5 years to help the growing number of students wanting to attend North DeSoto Elementary PK-2, North DeSoto Elementary 3-5, North DeSoto Middle School, and at North DeSoto High School. For FY 2010-11, three major construction projects for North DeSoto High School were started or were continued that accounted for the majority of the \$6.1 million of expenditures. They include (a) a 16 instructional classroom building, (b) a new athletic field house, and (c) the resurfacing of the outdoor track and the installation of a turf football field.

Limited Tax Revenue Bonds were sold in May 2010 to help pay for these improvements without the need to increase taxes or tax millages.

Completion of all these major capital improvement is scheduled for July 2012. The remaining \$11.7 fund balance at June 30, 2011 is committed to other capital expenditures for the 4 schools in School District No. 2.

- **Parishwide Capital Project Fund** – The Parishwide Capital Projects Fund, a major fund, had approximately a \$15.0 million surplus in FY 2010-11. The administration has been saving monies from increased Sales & Use Tax revenues in the current year while the architect has been preparing construction and bid documents for a new Career Academy Building for students and for a new Central Office facility. This is all being accomplished without the need to ask the public to increase taxes or tax millages

The ending fund balance of \$21.6 million at June 30, 2011 has been committed for these two projects. The staff expects the construction to begin sometime during the last three months of the 2012 calendar year.

School District No. 4 Capital Projects Fund – The School District No. 4 Capital Projects Fund, a major fund, had a \$1.7 million deficit in FY 2010-11. This is largely due to the four major construction projects that are being completed or that began during the year. Mansfield High School also resurfaced their outdoor track, installed a new turf football field, and the finished construction and renovation of all buildings at their campus. Mansfield Elementary began construction of a new Multipurpose Facility. For FY 2010-11, the total cost of these projects exceeded \$5.9 million and was accomplished without the need to ask the public to increase taxes or tax millages.

The remaining \$2.5 million in the Fund Balance at June 30, 2011 is committed for future undecided capital expenditures at Mansfield Elementary, Mansfield Middle School, or Mansfield High School.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

- **7 Mill Maintenance Tax Fund** – The 7 Mill Maintenance Tax Fund is a non-major Special Revenue Fund and is used to assist in paying the general cost of operation and maintenance of public schools. The fund balance in the 7 Mill Maintenance Tax Fund increased \$881,844 or 54.9% in FY 2010-11 mostly due to an increase in property tax revenues. The ending fund balance of \$2.5 million at June 30, 2011 is primarily restricted for property & casualty insurance and utilities for future years.
- **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, 2011, the restricted fund balance was \$880,003 which is a slight decrease of \$1,730 from the previous fiscal year. This fund balance is restricted for future expenditures in the school breakfast and lunch programs.
- **Instructional Enhancement Program** – The Instructional Enhancement Program is a non-major Special Revenue Fund that is funded annually with local revenues through Earnings from Other Real Property. This provides continued funding for educational programs when State and Federal grants are no longer available or when they underfund a program. The remaining fund balance of \$3.1 million will be primarily committed to the Teacher Advancement Program (TAP) that is being implemented parishwide in all schools.
- The non-major Debt Service Funds have a total fund balance exceeding \$3.7 million at June 30, 2011, all of which is restricted or committed for the payment of debt. A net increase of \$1.7 million occurred during the current fiscal year when the Board transferred additional Sales & Use Tax Revenues into School District No. 2 1998 Issue and the School District No. 2 2005 Issue that would permit a 2.75 property tax millage reduction for two outstanding bond issues in fiscal years 2011-12 through 2016-17. The remaining issues continue to meet the School Board's reserve policy to have at least 40%, but not greater than 75%, of next year's principal and interest payments in reserve.
- The remaining three non-major Capital Projects Funds have a total fund balance exceeding \$3.8 million at June 30, 2011, all of which are committed for future capital improvements. This was a net decrease of \$623,785 and largely due to two major construction projects at Logansport in School District No. 1. A new Elementary gym was built for Logansport Elementary while Logansport High School installed a new turf football field.

General Fund Budgetary Highlights

The original 2010-11 fiscal year operating budget for the School Board was adopted on June 1, 2010, and the final budget amendment was adopted on June 30, 2011. Differences between the original budget and the final amended budget of the General Fund are as follows:

Revenues

- The beginning budget for Ad Valorem Tax collections were based on a projected taxable assessed value of \$358.5 million along with a 99.0% collection rate. The budget was increased \$1,974,633 when the actual collection rate decreased to 98.9% and when the actual taxable assessed value increased by \$74.2 million to \$432,685,952.

DESOTO PARISH SCHOOL BOARD

Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

- The beginning budget for Sales and Use Tax revenues were expected to increase \$3.0 million in FY 2010-11 based on estimates from the DeSoto Parish Sales and Use Tax Commission. The budget was increased \$10.6 million on three separate occasions after actual collections showed significant increases. Much of this increase is attributed to the exploration of natural gas in an area nationally known as the Haynesville Shale within DeSoto Parish.
- State Equalization revenues were forecasted to decrease \$2.9 million at the beginning of the 2010-11 fiscal year. The staff used an estimated weighted student rate of \$4,187 and an estimated October 1st student count of 4,590. When the State Department of Education changed the formula to increase the weighted student rate to \$4,328 and to increase the student count to 4,615, a budget adjustment for \$722,343 was submitted to the Board for approval.
- Revenues from state grants for specific programs decreased approximately \$106,885 throughout the year as competitive grants were reduced due to state budget cuts from the State of Louisiana.

Expenditures

- Expenditures for instruction increased approximately \$5.1 million for regular programs and increased approximately \$2.0 million in special programs. The largest part of this increase is due to (a) adding 12 teachers at \$934,000, and (b) increased cost to the employer for retirement contributions at \$1.0 million.
- Expenditures for support services were increased approximately \$7.0 million due to (a) adding one nurse assistant, one speech therapist, two guidance counselors, two secretaries, one accountant, two administrators, six custodians, one bus driver, and one network manager totaling \$1.2 million, (b) increased cost to the employer for retirement contributions at \$825,700, (c) salary increases for all employees at \$2.7 million, and (d) an additional \$2.0 million to transfer money to the Other Post Employment Benefits Trust.

Other Financing Sources / Uses

- An additional \$59,400 was added to Transfers In to allow for increases in the money transferred from Federal Grants for Indirect Cost.

Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses

- The original budget projected a deficit of \$335,588 and was later amended and projected to have a surplus of \$1,085,492. This surplus was planned for to keep percentage of fund balance to expenditures above 15%.

Capital Assets and Debt Administration

Capital Assets: The DeSoto Parish School Board's investment in capital assets as of June 30, 2011 amounts to \$87,803,372 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of each fiscal year.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2011

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

| | <u>2011</u> | <u>2010</u> |
|--|----------------------|----------------------|
| Land | \$ 2,174,465 | \$ 1,745,645 |
| Buildings, building improvements, and land improvements | 42,008,495 | 39,094,264 |
| Furniture, equipment, and vehicles | 4,705,690 | 4,412,172 |
| Construction in progress - buildings | <u>38,914,722</u> | <u>26,634,667</u> |
| Total | <u>\$ 87,803,372</u> | <u>\$ 71,886,748</u> |

Major capital asset events during the fiscal year included the following:

- Purchased 1.59 acres of land at a cost of \$428,820 to construct a new Central Office facility.
- Final payment for the new Transportation and Food Service Facility was made in June 2011 totaling \$2,705,494.
- Eleven regular education school buses, one special needs school bus, and one maintenance truck was purchased in FY 2010-11 totaling \$999,657.
- Several capital improvements are taking place that added \$12,280,055 to construction in progress – buildings.
 - District No. 1 – Logansport
 - Elementary Gym with 4 Classrooms at Logansport Elementary
 - Turf Football Field at Logansport High
 - District No. 2 – North DeSoto
 - Athletic Fieldhouse and 16 Classroom Building at North DeSoto High
 - Turf Football Field & Track Resurfacing at North DeSoto High
 - District No. 3 – Stanley
 - New Library at Stanley High School
 - District No. 4 – Mansfield
 - Turf Football Field & Track Resurfacing at Mansfield High
 - Construction & Renovation of existing Buildings at Mansfield High
- Depreciation expense for the year lowered all capital asset values a total of \$2,574,692.

Long-Term Debt: At the end of the current fiscal year, the DeSoto Parish School Board had total bonded debt outstanding of \$38,425,000. Of this amount, the General Obligation Bonds that totaled \$29,055,000 on June 30, 2011 are backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30 for the past two fiscal years.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Management's Discussion and Analysis
June 30, 2011

DeSoto Parish School Board's Outstanding Debt

| | <u>2011</u> | <u>2010</u> |
|-----------------------------|----------------------|----------------------|
| General Obligation Bonds | \$ 29,055,000 | \$ 30,205,000 |
| Limited Tax Revenue Bonds | 8,730,000 | 9,000,000 |
| Sales Tax Bonds | - | 23,000 |
| Certificate of Indebtedness | <u>640,000</u> | <u>940,000</u> |
| Total | <u>\$ 38,425,000</u> | <u>\$ 40,168,000</u> |

Long-term debt issues for fiscal year 2010-11 include the following:

- Total outstanding debt decreased \$1,743,000 during the fiscal year because no additional bonds were sold during the fiscal year to finance construction projects.
- The DeSoto Parish School continues its "AA" rating from Standard & Poor's that was received in March 2010. This is the highest rating ever received by the school system.
- The general obligation debt limit for the DeSoto Parish School Board stands at approximately \$139.8 million as of June 30, 2011 which is restricted by Louisiana statutes to 35% of its total assessed valuation. This is only 15.3% of the total debt that could be issued.

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

Economic Factors and Next Year's Budgets and Rates

Listed below are several economic factors that will alter the original budget for FY 2011-12.

- After the original budget was approved in June 2011, the Minimum Foundation Program (MFP) revenues was increased approximately \$29,245. Instead of projecting \$9,975,391 in revenues, the staff is now projecting \$9,735,826 in MFP revenues for the General Fund.
- Information from the DeSoto Parish Tax Assessor shows the taxable values of property tax assessments will increase 37.7% from \$432.8 million to \$595.8 million. The land use of the parish is balanced among agriculture, mining, timber, natural gas exploration, and manufacturing. In fact, the top 10 principal taxpayers represent 51% of the total taxable value. Total ad valorem collections are expected to increase General Fund revenues approximately \$7.1 million.
- Information from the DeSoto Parish Sales and Use Tax Commission shows that total sales and use tax collections will not change the Sales & Use Tax Revenue estimate originally set at \$58.0 million. Although, the parish continues to receive the economic benefits from the exploration of natural gas known nationally as the Haynesville Shale, it is too early to predict if collections would reach the \$73.1 million level that it reached in FY 2010-11.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Management's Discussion and Analysis

June 30, 2011

- In November 2011, the Board is scheduled to approve \$3,500 one-time salary supplement for all employees that would be paid in December, 2011. The Board's Finance Committee gave initial approval of this change on October 20, 2011. This will impact the General Fund budget for FY 2011-12 and is estimated to cost \$3.6 million.
- After consideration of the above mentioned costs, the General Fund is projected to have a surplus of approximately \$246,500 at the end of fiscal year 2011-12. This represents 18.2% of total expenditures and is above the 15% minimum balance needed to keep the financial condition of the school system stable.

| | General Fund Budget Summary FY 2011-12 | |
|-----------------------------|---|-------------------|
| Revenues | \$ | 78,869,353 |
| Expenditures | | <u>79,232,650</u> |
| Other Sources of Funds | | 609,866 |
| Other Uses of Funds | | <u>-</u> |
| Net Changes in Fund Balance | | 246,569 |
| Beginning Fund Balance | \$ | 14,154,918 |
| Ending Fund Balance | \$ | 14,401,487 |

Requests for Information

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

BASIC FINANCIAL STATEMENTS:

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

DESOTO PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

June 30, 2011

Statement A

GOVERNMENTAL
ACTIVITIES

ASSETS

| | |
|-------------------------------------|-------------------|
| Cash and cash equivalents | \$ 46,853,437 |
| Investments | 21,993,799 |
| Receivables (net) | 10,613,813 |
| Inventory | 29,202 |
| Prepaid expenses | 790,068 |
| OPEB asset | 19,872,506 |
| Capital assets: | |
| Land and construction in progress | 41,089,187 |
| Capital assets, net of depreciation | <u>46,714,185</u> |

TOTAL ASSETS

187,956,197

LIABILITIES

| | |
|---------------------------------------|-------------------|
| Accounts, salaries and other payables | 10,190,457 |
| Unearned revenues | 164 |
| Interest payable | 482,270 |
| Long-term liabilities | |
| Due within one year | 2,151,541 |
| Due in more than one year | <u>43,012,204</u> |

TOTAL LIABILITIES

55,836,636

NET ASSETS

| | |
|---|-------------------|
| Invested in capital assets, net of related debt | 52,187,331 |
| Restricted for: | |
| Debt service | 1,964,085 |
| Maintenance | 2,488,220 |
| School Food Service | 909,205 |
| Unrestricted | <u>74,570,720</u> |

TOTAL NET ASSETS

\$ 132,119,561

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, 2011

Statement B

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | | NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS |
|--|-------------------|-------------------------|--|--|--|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | |
| <i>Governmental activities:</i> | | | | | |
| Instruction: | | | | | |
| Regular programs | \$ 31,478,048 | \$ 0 | \$ 73,697 | \$ 0 | (31,404,351) |
| Special programs | 23,113,551 | 0 | 6,824,575 | | (16,288,976) |
| Adult/continuing education programs | 8,770 | 0 | 0 | | (8,770) |
| Support services: | | | | | |
| Pupil support services | 4,099,771 | 0 | 284,144 | | (3,815,627) |
| Instructional staff support | 5,058,454 | 0 | 105,232 | | (4,953,222) |
| General administration | 2,308,525 | 0 | 0 | | (2,308,525) |
| School administration | 5,388,183 | 0 | 0 | | (5,388,183) |
| Business services | 1,613,261 | 0 | 3,976 | | (1,609,285) |
| Plant services | 9,308,603 | 0 | 0 | | (9,308,603) |
| Student transportation services | 6,429,010 | 0 | 214,967 | | (6,214,043) |
| Central services | 351,811 | 0 | 0 | | (351,811) |
| Food services | 4,892,492 | 336,417 | 1,776,221 | | (2,779,854) |
| Interest on long-term debt | 1,642,961 | 0 | 0 | | (1,642,961) |
| Total Governmental Activities | 95,693,440 | 336,417 | 9,282,812 | 0 | (86,074,211) |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Ad valorem taxes levied for general purposes | | | | | 18,407,215 |
| Ad valorem taxes levied for debt service purposes | | | | | 3,234,949 |
| Sales taxes levied for salaries, benefits and general purposes | | | | | 73,086,778 |
| Grants and contributions not restricted to specific programs | | | | | |
| State revenue sharing | | | | | 302,909 |
| Education Jobs grant | | | | | 838,141 |
| Minimum Foundation Program | | | | | 19,965,412 |
| Interest and investment earnings | | | | | 412,402 |
| Miscellaneous | | | | | 2,983,897 |
| Total general revenues | | | | | 119,231,703 |
| Changes in net assets | | | | | 33,157,492 |
| Net assets - beginning | | | | | 98,962,069 |
| Net assets - ending | | | | | \$ 132,119,561 |

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

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

DESOTO PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2011

| | GENERAL | SCHOOL DISTRICT NO. 2 CAPITAL PROJECT | PARISHWIDE CAPITAL PROJECT |
|--|----------------------|---|----------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,439,542 | \$ 10,618,486 | \$ 9,401,716 |
| Investments | 9,471,914 | 2,000,000 | 8,200,000 |
| Receivables | 3,325,469 | 311,652 | 4,177,742 |
| Interfund receivables | 1,801,669 | 0 | 0 |
| Inventory | 0 | 0 | 0 |
| TOTAL ASSETS | 19,038,594 | 12,930,138 | 21,779,458 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts, salaries and other payables | 4,883,676 | 1,250,341 | 134,486 |
| Interfund payables | 0 | 0 | 0 |
| Deferred revenues | 0 | 0 | 0 |
| Total Liabilities | 4,883,676 | 1,250,341 | 134,486 |
| Fund Balances: | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 |
| Committed | 5,359,185 | 11,679,797 | 21,644,972 |
| Unassigned | 8,795,733 | 0 | 0 |
| Total Fund Balances | 14,154,918 | 11,679,797 | 21,644,972 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 19,038,594 | \$ 12,930,138 | \$ 21,779,458 |

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

Statement C

| SCHOOL DISTRICT NO. 4 CAPITAL PROJECT | OTHER GOVERNMENTAL | TOTAL |
|---|-----------------------|----------------------|
| \$ 4,018,772 | \$ 14,086,651 | \$ 42,565,167 |
| 0 | 1,409,900 | 21,081,814 |
| 299,012 | 2,447,465 | 10,561,340 |
| 0 | 0 | 1,801,669 |
| 0 | 29,202 | 29,202 |
| <u>4,317,784</u> | <u>17,973,218</u> | <u>76,039,192</u> |
| 1,670,812 | 2,241,615 | 10,180,930 |
| 155,722 | 1,645,947 | 1,801,669 |
| 0 | 164 | 164 |
| <u>1,826,534</u> | <u>3,887,726</u> | <u>11,982,763</u> |
| 0 | 29,202 | 29,202 |
| 0 | 5,332,308 | 5,332,308 |
| 2,491,250 | 8,723,982 | 49,899,186 |
| 0 | 0 | 8,795,733 |
| <u>2,491,250</u> | <u>14,085,492</u> | <u>64,056,429</u> |
| <u>\$ 4,317,784</u> | <u>\$ 17,973,218</u> | <u>\$ 76,039,192</u> |

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana



DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011**

Statement D

Total fund balances - governmental funds \$ 64,056,429

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 Assets 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 | \$ 124,055,763 | |
| Depreciation expense to date | <u>(36,252,391)</u> | |
| | | 87,803,372 |

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 Assets.

Balances at June 30, 2011 are:

| | | |
|-------------------------------------|------------------|--------------|
| Long-term liabilities | | |
| Compensated absences payable | (4,560,941) | |
| General obligation bonds payable | (37,785,000) | |
| Premium on bonds | (47,504) | |
| Certificate of Indebtedness payable | (640,000) | |
| Interest payable | <u>(482,270)</u> | |
| | | (43,515,715) |

The OPEB asset is a long term asset that is not reported in the fund financial statements. All assets are reported in the government wide financial statements. 19,872,506

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. 3,902,969

Net Assets - Governmental Activities \$ 132,119,561

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, 2011**

| | <u>GENERAL</u> | <u>SCHOOL DISTRICT NO. 2 CAPITAL PROJECT</u> | <u>PARISHWIDE CAPITAL PROJECT</u> |
|--|---------------------|--|---|
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 15,410,383 | \$ 0 | \$ 0 |
| Sales and use | 39,511,337 | 3,130,237 | 18,955,441 |
| Interest earnings | 189,654 | 93,101 | 56,015 |
| Food services | 0 | 0 | 0 |
| Other | 3,079,021 | 0 | 0 |
| State sources: | | | |
| Equalization | 19,316,211 | 0 | 0 |
| Other | 1,084,876 | 0 | 0 |
| Federal sources: | | | |
| | 127,954 | 0 | 0 |
| Total Revenues | <u>78,699,436</u> | <u>3,223,338</u> | <u>19,011,456</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | 29,962,922 | 0 | 0 |
| Special programs | 15,850,731 | 0 | 0 |
| Adult/continuing education programs | 9,909 | 0 | 0 |
| Support services: | | | |
| Pupil support services | 3,664,583 | 0 | 0 |
| Instructional staff support | 5,100,111 | 0 | 0 |
| General administration | 1,800,112 | 14,378 | 87,070 |
| School administration | 5,530,332 | 0 | 0 |
| Business services | 1,588,318 | 0 | 0 |
| Plant services | 6,388,732 | 0 | 0 |
| Student transportation services | 6,444,950 | 0 | 0 |
| Central services | 347,032 | 0 | 0 |
| Food services | 0 | 0 | 0 |
| Capital outlay | 0 | 8,129,159 | 3,804,913 |
| Debt service: | | | |
| Principal retirement | 0 | 0 | 0 |
| Interest and bank charges | 0 | 0 | 0 |
| Total Expenditures | <u>76,687,732</u> | <u>6,143,537</u> | <u>3,891,983</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>\$ 2,011,704</u> | <u>\$ (2,920,199)</u> | <u>\$ 15,119,473</u> |

Statement E

| SCHOOL DISTRICT NO. 4 | | |
|-----------------------|---------------------|----------------------|
| CAPITAL PROJECT | OTHER GOVERNMENTAL | TOTAL |
| \$ 0 | \$ 6,231,781 | \$ 21,642,164 |
| 4,247,770 | 7,241,993 | 73,086,778 |
| 18,540 | 59,882 | 397,192 |
| 0 | 336,417 | 336,417 |
| 0 | 85,094 | 3,164,115 |
| 0 | 649,201 | 19,965,412 |
| 0 | 52,667 | 1,137,543 |
| 0 | 9,158,365 | 9,286,319 |
| <u>4,266,310</u> | <u>23,815,400</u> | <u>129,015,940</u> |
| 0 | 0 | 29,962,922 |
| 0 | 7,474,141 | 23,324,872 |
| 0 | 0 | 9,909 |
| 0 | 267,282 | 3,931,865 |
| 0 | 98,988 | 5,199,099 |
| 19,512 | 408,587 | 2,329,659 |
| 0 | 0 | 5,530,332 |
| 0 | 3,740 | 1,592,058 |
| 0 | 1,912,491 | 8,301,223 |
| 0 | 292,126 | 6,737,076 |
| 0 | 0 | 347,032 |
| 0 | 4,889,795 | 4,889,795 |
| 5,962,104 | 3,727,906 | 19,624,082 |
| 0 | 1,743,000 | 1,743,000 |
| 0 | 1,646,074 | 1,646,074 |
| <u>5,981,616</u> | <u>22,464,130</u> | <u>115,168,998</u> |
| <u>\$ (1,715,306)</u> | <u>\$ 1,351,270</u> | <u>\$ 13,848,942</u> |

(CONTINUED)

DESOTO PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011**

| | <u>GENERAL</u> | <u>SCHOOL DISTRICT NO. 2 CAPITAL PROJECT</u> | <u>PARISHWIDE CAPITAL PROJECT</u> |
|---|----------------------|--|---|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | \$ 438,080 | \$ 0 | \$ 0 |
| Transfers out | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>438,080</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balances | 2,449,784 | (2,920,199) | 15,119,473 |
| FUND BALANCES - BEGINNING | <u>11,705,134</u> | <u>14,599,996</u> | <u>6,525,499</u> |
| FUND BALANCES - ENDING | <u>\$ 14,154,918</u> | <u>\$ 11,679,797</u> | <u>\$ 21,644,972</u> |

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

Statement E

| SCHOOL DISTRICT NO. 4 | | OTHER | |
|--------------------------|---------------|---------------|--|
| CAPITAL | GOVERNMENTAL | TOTAL | |
| PROJECT | | | |
| \$ 0 | \$ 0 | \$ 438,080 | |
| 0 | (438,080) | (438,080) | |
| 0 | (438,080) | 0 | |
| (1,715,306) | 913,190 | 13,846,942 | |
| 4,206,556 | 13,172,302 | 50,209,487 | |
| \$ 2,491,250 | \$ 14,085,492 | \$ 64,056,429 | |

(CONCLUDED)

DESOTO PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2011**

| | Statement F | |
|---|--------------------|--------------------------|
| Total net change in fund balances - governmental funds | \$ | 13,846,942 |
| 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 depreciation exceeds capital outlays in the period: | | |
| Capital outlay additions | 18,671,462 | |
| Depreciation expense | <u>(2,574,692)</u> | 16,096,770 |
| Loss on disposal of capital assets reduces net assets in the government wide statements. | | (180,146) |
| 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. | | 2,639 |
| 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 assets. | | |
| Repayment of bond principal | | 1,743,000 |
| 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. | | 3,113 |
| 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 earned (\$934,113) exceeded the amounts used \$191,541 by \$742,572. | | (742,572) |
| 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). | | 3,949,087 |
| 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>(1,561,341)</u> |
| Change in net assets of governmental activities | \$ | <u>33,157,492</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 Assets

June 30, 2011

Statement G

ASSETS

Current assets:

| | |
|---------------------------|----------------|
| Cash and cash equivalents | \$ 4,288,270 |
| Investments | 911,985 |
| Receivables | 52,473 |
| Prepaid items | <u>790,068</u> |

TOTAL CURRENT ASSETS 6,042,796

LIABILITIES

Current liabilities:

| | |
|------------------|----------------|
| Accounts payable | 9,527 |
| Claims payable | <u>150,000</u> |

TOTAL CURRENT LIABILITIES 159,527

| | |
|------------------------|---------------|
| Medical claims payable | 1,885,821 |
| Dental claims payable | <u>94,479</u> |

TOTAL NON CURRENT LIABILITIES 1,980,300

TOTAL LIABILITIES 2,139,827

NET ASSETS

| | |
|--------------|---------------------|
| Unrestricted | <u>\$ 3,902,969</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 Revenues, Expenses,
and Changes in Fund Net Assets
For the Year Ended June 30, 2011

| | Statement H |
|--------------------------|---------------------|
| OPERATING REVENUE | |
| Medical premiums | \$ 11,349,708 |
| Dental premiums | 472,979 |
| Medicare subsidy | <u>72,766</u> |
| Total operating revenues | <u>11,895,453</u> |
| OPERATING EXPENSES | |
| Claims | 8,387,655 |
| Administration | 588,002 |
| Insurance | <u>4,506,040</u> |
| Total operating expenses | <u>13,481,697</u> |
| Operating income (loss) | <u>(1,586,244)</u> |
| NONOPERATING REVENUES | |
| Earnings on investments | <u>24,903</u> |
| Changes in Net Assets | (1,561,341) |
| NET ASSETS - BEGINNING | <u>5,464,310</u> |
| NET ASSETS - ENDING | <u>\$ 3,902,969</u> |

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, 2011

| | Statement I |
|--|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Medical and dental premiums received | \$ 11,853,351 |
| Administrative fees paid | (578,705) |
| Premiums paid | (4,502,898) |
| Claims paid | <u>(8,442,013)</u> |
| Net cash provided (used) by operating activities | (1,670,065) |
| CASH FLOW FROM INVESTING ACTIVITIES | |
| Earnings on investments | 24,903 |
| Sale of investments | <u>2,569,026</u> |
| Net cash provided (used) for investing activities | <u>2,593,929</u> |
| Net increase (decrease) in cash and cash equivalents | 923,864 |
| CASH AND CASH EQUIVALENTS - BEGINNING | <u>3,364,406</u> |
| CASH AND CASH EQUIVALENTS - ENDING | <u><u>4,288,270</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | |
| Operating income (loss) | (1,586,244) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| (Increase) decrease in receivables | (42,102) |
| (Increase) decrease in prepaid items | 3,342 |
| Increase (decrease) in claims payable | <u>(45,061)</u> |
| Net cash provided (used) for operating activities | <u><u>\$ (1,670,065)</u></u> |

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

DESOTO PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011

Statement J

| | OTHER POST EMPLOYMENT BENEFITS TRUST FUND | AGENCY FUND |
|--|--|-----------------------------|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 2,843,531 | \$ 465,459 |
| Investments | 35,418,442 | 0 |
| Receivables | 312,035 | 0 |
| Other receivables | <u>0</u> | <u>0</u> |
| Total assets | <u>38,572,008</u> | <u>465,459</u> |
| LIABILITIES | | |
| Accounts payable | 34,045 | 0 |
| Deposits due others | <u>0</u> | <u>465,459</u> |
| Total liabilities | <u>34,045</u> | <u>465,459</u> |
| NET ASSETS | | |
| Assets held in trust for OPEB benefits | <u>\$ 38,537,963</u> | <u>\$ 0</u> |

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

DESOTO PARISH SCHOOL BOARD
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended June 30, 2011

| | Statement K |
|-------------------------------------|---|
| | <u>OTHER POST EMPLOYMENT BENEFITS TRUST FUND</u> |
| ADDITIONS | |
| Employer contributions | \$ 12,871,073 |
| Earnings on investments | <u>862,701</u> |
| Total additions | <u>13,733,774</u> |
| DEDUCTIONS | |
| General and administrative expenses | <u>116,251</u> |
| Change in net assets | 13,617,523 |
| Net assets - Beginning | <u>24,920,440</u> |
| Net assets - Ending | <u><u>\$ 38,537,963</u></u> |

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

| <u>INDEX</u> | <u>Page</u> |
|--|-------------|
| NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 65 |
| A. REPORTING ENTITY | 65 |
| B. FUNDS..... | 65 |
| Governmental Funds | 65 |
| Proprietary Funds | 66 |
| Fiduciary Funds..... | 66 |
| C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING..... | 66 |
| Government-Wide Financial Statements (GWFS)..... | 66 |
| Fund Financial Statements (FFS) | 67 |
| Governmental Funds | 67 |
| Proprietary Fund..... | 68 |
| Fiduciary Fund | 68 |
| D. BUDGETS | 68 |
| E. CASH AND CASH EQUIVALENTS | 68 |
| F. INVESTMENTS | 69 |
| G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES | 69 |
| H. ELIMINATION AND RECLASSIFICATION..... | 69 |
| I. INVENTORIES..... | 69 |
| J. PREPAIDS..... | 69 |
| K. CAPITAL ASSET..... | 69 |
| L. DEFERRED REVENUES | 70 |
| M. COMPENSATED ABSENCES | 70 |
| N. LONG-TERM LIABILITIES | 70 |
| O. RESTRICTED NET ASSETS..... | 71 |
| P. FUND EQUITY OF FUND FINANCIAL STATEMENTS | 71 |
| Q. INTERFUND ACTIVITIES..... | 71 |
| R. SALES TAXES..... | 72 |
| S. USE OF ESTIMATES | 72 |
| NOTE 2 - LEVIED TAXES..... | 72 |
| NOTE 3 - DEPOSITS AND INVESTMENTS | 73 |
| NOTE 4 - RECEIVABLES..... | 75 |
| NOTE 5 - CAPITAL ASSETS..... | 76 |
| NOTE 6 - RETIREMENT SYSTEMS..... | 77 |
| NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS | 78 |
| NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES..... | 80 |
| NOTE 9 - COMPENSATED ABSENCES | 80 |
| NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS | 80 |
| NOTE 11 - LONG-TERM LIABILITIES | 81 |
| NOTE 12 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)..... | 82 |
| NOTE 13 - INTERFUND TRANSFERS (FFS LEVEL ONLY)..... | 82 |
| NOTE 14 - ENCUMBRANCES (FFS LEVEL ONLY) | 83 |
| NOTE 15 - RISK MANAGEMENT | 83 |
| NOTE 16 - LITIGATION AND CLAIMS..... | 84 |
| NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES..... | 84 |
| NOTE 18 - ECONOMIC DEPENDENCY | 84 |
| NOTE 19 - JOINTLY GOVERNED ORGANIZATION..... | 84 |
| NOTE 20 - NEW FUNDS..... | 85 |
| NOTE 21 - FUND BALANCE CLASSIFICATION DETAILS..... | 85 |

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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

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

The School Board operates eleven schools within the parish with a total enrollment of approximately 5,000 pupils. In conjunction with the regular educational programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

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

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

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

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

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

School District No. 4 - a capital project fund. It accounts for financial resources to acquire, construct, and improve public school facilities in School District No.4.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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 and dental insurance for employees of the School Board on a cost reimbursement basis.

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

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

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

The Statement of Net Assets 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.

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

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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

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

Fund Financial Statements (FFS):

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

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

Revenues

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

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

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

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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 fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

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

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

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

D. BUDGETS:

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

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

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

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. The effect of budget amendments during the year for the general fund was to increase net revenues by \$15,433,066 and increase net expenditures by \$14,071,407.

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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

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

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

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

Definitions:

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

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

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

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

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

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

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

K. CAPITAL ASSETS: Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of the following: \$1 (land and CIP), \$5,000 (equipment and vehicles), \$25,000 (land improvements), and \$50,000 (building and building improvements) for capitalizing capital assets. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

management feels that the salvage value is immaterial. Straight line depreciation is used based on the following estimated useful lives:

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

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

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

All School Board employees, except eleven and twelve-month employees, earn ten days of sick leave each year. Twelve-month School Board employees earn twelve days of sick leave each year and eleven-month employees earn eleven days per year. Non-twelve-month employees may use two days of sick leave each year for personal business. Sick leave may be accumulated without limitation. Upon retirement or death, a maximum of twenty-five days accumulated sick leave 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 in the FFS and are capitalized and amortized in the GWFS. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing health care 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. Expenditures are recorded as payments are made to the internal service fund as premiums and as transfers are made to the Other Post Employment Benefits Trust Fund.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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

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

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

P. FUND EQUITY OF FUND FINANCIAL STATEMENTS:

The School Board adopted GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011. 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 either a policy of the School Board or motions were passed at a School Board meeting committing the funds. The motions passed are usually the result of budget revisions.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board or Finance Committee.

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

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

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

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.

**DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011**

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

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 to supplement salaries of teachers and other School Board employees and for the operation of public schools in DeSoto Parish.

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

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

Property Tax Calendar

| | |
|---|--------------------|
| Assessment date | January 1, 2010 |
| Levy date | September 30, 2010 |
| Tax bills mailed | October 25, 2010 |
| Due date | December 31, 2010 |
| Lien date | January 1, 2011 |
| Tax sale date, 2010 delinquent property | May 2011 |

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

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

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2010. Total assessed value was \$471,693,064 in calendar year 2010. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$39,007,112 of the assessed value in calendar year 2010.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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

The tax roll is prepared by the tax assessor and approved by the State Tax Commission in November of each year. The amount of 2010 property taxes to be collected occurs in December 2010 and January and February 2011. All property taxes are recorded in the general, special revenue, and debt service funds. The School Board considers the lien date (January 1, 2011) as the date an enforceable legal claim occurs for 2010 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted). Accordingly, the 2010 property taxes are budgeted in the 2010-11 fiscal year of the School Board.

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

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

| <u>Parish-wide Taxes</u> | <u>Authorized Millage</u> | <u>Levied Millage</u> | <u>Expiration Date</u> |
|--|-------------------------------|---------------------------|----------------------------|
| Constitutional—parishwide | 4.56 | 4.56 | Not applicable |
| Renewable—parishwide | 44.00 | 39.00 | 2016 |
| Debt Service—separate school districts | | | |
| District No. 2—North DeSoto | 22.00 | 8.75 | 2024 |
| District No. 3—Stanley | 23.00 | .75 | 2013 |
| District No. 4—Mansfield | 10.25 | 14.50 | 2031 |

NOTE 3 - DEPOSITS AND INVESTMENTS:

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

Governmental, Proprietary, and Agency Funds

Custodial credit risk: At year-end, the School Board's carrying amount of deposits was \$62,928,796 (including certificates of deposits of \$15,609,900) and the bank balance was \$70,945,398. These deposits are reported as follows: Statement A-cash and cash equivalents, \$46,853,437; Statement A-investments, \$15,609,900; Statement J-cash and cash equivalents, \$465,459. Of the bank balance, \$7,436,740 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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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.

The School Board has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2011. Fair value was determined by obtaining "quoted" year-end market prices.

As of June 30, 2011 the School Board's investments are managed by an investment management company. This account had a fair value of \$6,383,899 as of June 30, 2011. The mortgage backed securities are rated AAA according to Standard and Poor's and are guaranteed by the U. S. government. The debt investments represent 100% of the School Board's investments as of this date.

| Description of investment | Fair Value | Maturity | |
|----------------------------|--------------|--------------|--------------|
| | | 1 - 3 Years | 3 - 5 Years |
| Mortgage backed securities | \$ 6,383,899 | \$ 2,471,721 | \$ 3,912,178 |

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

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

Other Post Employment Benefits Trust Fund

The School Board follows the state law regarding investments in post employment benefits funds by political subdivisions, R.S. 33:5161 and R.S. 33:5162.

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

| Description of investment | Fair Value | Maturity | | | |
|---|----------------------|---------------------|----------------------|----------------------|-------------------|
| | | Less than 1 Year | 1 - 3 Years | 3 - 5 Years | 5 - 7 Years |
| Mortgage backed securities guaranteed by U. S. government | \$ 12,333,706 | \$ - | \$ 4,991,903 | \$ 7,341,803 | \$ - |
| Corporate bonds | 23,082,736 | 2,984,776 | 11,401,274 | 8,363,358 | 333,328 |
| Total | \$ 35,416,442 | \$ 2,984,776 | \$ 16,393,177 | \$ 15,705,161 | \$ 333,328 |

Custodial Credit Risk: The School Board's policy regarding custodial credit risk is that funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by La. R.S 39:1225 as amended to adequately protect the funds of the School Board.

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.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

| Description of investment | Fair Value | Rating by Standard & Poor's | | | |
|--|----------------------|-----------------------------|---------------------|----------------------|---------------------|
| | | AAA | AA | A | BBB |
| Mortgage backed securities guaranteed by U. S. government | \$ 12,333,706 | \$ 12,333,706 | \$ - | \$ - | \$ - |
| Corporate bonds | 23,082,736 | - | 1,146,104 | 12,462,781 | 9,473,851 |
| Total | \$ 35,416,442 | \$ 12,333,706 | \$ 1,146,104 | \$ 12,462,781 | \$ 9,473,851 |

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, 2011, no more than 5 percent of the other post employment benefits trust fund's total investments were investments in any single issuer.

NOTE 4 - RECEIVABLES: The receivables at June 30, 2011 are as follows:

| Accounts & Accrued Receivables | General | School District No. 2 | Parishwide | | Other Governmental | Total Governmental | Internal Service Fund | Total |
|--------------------------------|--------------------|--------------------------|---------------------|---------------------------------------|-----------------------|-----------------------|--------------------------|----------------------|
| | | | Capital Project | Capital Projects School District 4 | | | | |
| Sales Tax | \$2,203,423 | \$ 298,902 | \$ 4,158,088 | \$ 299,012 | \$ 294,936 | \$ 7,254,361 | \$ - | \$ 7,254,361 |
| Intergovernmental - grants: | | | | | | | | |
| Federal | 10,796 | - | - | - | 2,065,851 | 2,076,647 | - | 2,076,647 |
| State | 125,078 | - | - | - | 348 | 125,426 | - | 125,426 |
| Other | 986,172 | 12,750 | 19,654 | - | 86,330 | 1,104,906 | 52,473 | 1,157,379 |
| Total | \$3,325,469 | \$ 311,652 | \$ 4,177,742 | \$ 299,012 | \$ 2,447,465 | \$ 10,561,340 | \$ 52,473 | \$ 10,613,813 |

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

NOTE 5 - CAPITAL ASSETS: Capital assets balances and activity for the year ended June 30, 2011, are as follows:

| | <u>Balance Beginning</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance Ending</u> |
|-------------------------------------|------------------------------|----------------------|---------------------|---------------------------|
| Governmental activities | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 1,745,645 | \$ 428,820 | \$ - | \$ 2,174,465 |
| Construction in progress | 26,634,667 | 14,322,157 | 2,042,102 | 38,914,722 |
| Total nondepreciable capital assets | <u>28,380,312</u> | <u>14,750,977</u> | <u>2,042,102</u> | <u>41,089,187</u> |
| Depreciable Capital Assets: | | | | |
| Buildings | 63,555,051 | 3,699,464 | - | 67,254,515 |
| Land improvements | 5,150,486 | 1,084,442 | 440,572 | 5,794,356 |
| Furniture and equipment | 2,084,581 | 179,024 | 210,627 | 2,052,978 |
| Vehicles | 6,865,070 | 999,657 | - | 7,864,727 |
| Total depreciable capital assets | <u>77,655,188</u> | <u>5,962,587</u> | <u>651,199</u> | <u>82,966,576</u> |
| Less accumulated depreciation | | | | |
| Buildings | 27,326,651 | 1,536,009 | - | 28,862,660 |
| Land improvements | 2,284,622 | 164,646 | 271,552 | 2,177,716 |
| Furniture and equipment | 1,087,773 | 169,478 | 199,501 | 1,057,750 |
| Vehicles | 3,449,706 | 704,559 | - | 4,154,265 |
| Total accumulated depreciation | <u>34,148,752</u> | <u>2,574,692</u> | <u>471,053</u> | <u>36,252,391</u> |
| Governmental activities | | | | |
| Capital assets, net | <u>\$ 71,886,748</u> | <u>\$ 18,138,872</u> | <u>\$ 2,222,248</u> | <u>\$ 87,803,372</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------------|---------------------|
| Regular programs | \$ 1,913,714 |
| Vocational programs | 727 |
| Other instructional programs | - |
| Other special programs | 2,885 |
| Pupil support programs | 618 |
| Instructional staff | 10,100 |
| School administration | 88,712 |
| Business services | 4,956 |
| Maintenance of plant | 42,124 |
| Pupil transportation | 311,813 |
| Food service operations | 199,043 |
| Total depreciation expense | <u>\$ 2,574,692</u> |

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

NOTE 6 - RETIREMENT SYSTEMS:

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

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

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

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

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

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

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

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

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

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2011, are as follows:

| | <u>Employee</u> | <u>Employer</u> |
|---|-----------------|-----------------|
| Teachers' Retirement System of Louisiana: | | |
| Regular | 8.0% | 20.20% |
| Plan B | 5.0% | 20.20% |
| Louisiana School Employees' Retirement System | 7.5% | 24.30% |

Total covered payroll of the School Board for TRSL - Regular Plan and LSERS for the year ended June 30, 2011, amounted to \$40,253,317 and \$5,707,456 respectively. Employer contributions for the year ended June 30, 2011, and each of the two preceding years are as follows:

| <u>Fiscal Year Ended</u> | <u>TRSL</u> | <u>LSERS</u> |
|--------------------------|--------------|--------------|
| June 30, 2009 | \$ 4,557,031 | \$ 678,336 |
| June 30, 2010 | 5,472,478 | 836,601 |
| June 30, 2011 | 8,131,176 | 1,386,911 |

Employer contributions totaled 100% of annual actuarially required contributions.

NOTE 7 - OTHER POST EMPLOYMENT BENEFITS

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

Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. For those hired prior to January 1, 2010, the retiree pays 15% and the employer pays 85%. For those hired on or after January 1, 2010, the School Board pays on a service related basis as follows:

| <u>Years of Employment</u> | <u>% Paid by Retiree</u> | <u>% Paid by School Board</u> |
|----------------------------|--------------------------|-------------------------------|
| Less than 10 | 80 | 20 |
| 10 to 15 | 60 | 40 |
| 15 to 20 | 40 | 60 |
| 20 or more | 15 | 85 |

For those hired prior to January 1, 2010, the Board pays 100% of the life insurance premium for retired employees and 15.63% of dental insurance. For those hired on or after January 1, 2010, the School Board would not provide any coverage for life insurance if less than 20 years of service.

The plan does not issue a standalone financial report.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year, closed amortization period had been used. The total ARC for fiscal year 2011 is \$10,814,053 as set forth below:

| | |
|------------------------------------|-----------------------------|
| Normal Cost | \$ 4,861,496 |
| 30-year UAL amortization amount | <u>5,952,557</u> |
| Annual required contribution (ARC) | <u><u>\$ 10,814,053</u></u> |

The following table presents the School Board's OPEB Obligation for fiscal years 2009, 2010, and 2011.

| | 2011 | 2010 | 2009 |
|--|-------------------------------|-------------------------------|------------------------------|
| Beginning Net OPEB Obligation July 1 | \$ (15,923,419) | \$ (2,197,735) | \$ None |
| Annual required contribution | 10,814,053 | 8,147,192 | 6,256,203 |
| Interest on prior year Net OPEB Obligation | (796,171) | 377,095 | 437,934 |
| Adjustment to ARC | 1,035,840 | - | 1,830,150 |
| Annual OPEB Cost | <u>11,053,722</u> | <u>8,524,287</u> | <u>8,524,287</u> |
| Less current year retiree premiums | 15,002,809 | 22,249,971 | 10,722,022 |
| Funding excess | <u>(3,949,087)</u> | <u>(13,725,684)</u> | <u>(2,197,735)</u> |
| Ending Net OPEB Obligation at June 30 | <u><u>\$ (19,872,506)</u></u> | <u><u>\$ (15,923,419)</u></u> | <u><u>\$ (2,197,735)</u></u> |

Funded Status and Funding Progress - The School Board's actuarial accrued liability of \$113,849,851 was partially funded.

The funded status of the plan, as determined by an actuary as of July 1, 2010 was as follows:

| | 2011 | 2010 | 2009 |
|---|-------------------|-------------------|------------------|
| Actuarial accrued liability (AAL) | \$ 113,849,851 | \$ 90,036,000 | \$ 90,036,000 |
| Actuarial value of plan assets | <u>38,259,973</u> | <u>22,344,306</u> | <u>8,444,399</u> |
| Unfunded actuarial accrued liability (UAAL) | 75,589,878 | 67,691,694 | 81,591,601 |
| Funded ratio (actuarial value of plan assets/AAL) | 33.61% | 24.82% | 9.38% |
| Covered payroll | 48,962,463 | 43,133,300 | 35,245,729 |
| UAAL as a percentage of covered payroll | 154.38% | 156.94% | 231.49% |

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

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

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.

In the July 1, 2007, DeSoto Parish School Board actuarial valuation, the projected unit credit actuarial cost method was used. The July 1, 2010 actuarial valuation used the entry age normal cost method. The actuarial assumptions included a 5.0 % investment rate of return and initial actual healthcare cost trend rate of 10.0% and 9.0% for Pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5.0% per year. The RP-2000 Static Health Mortality Table was used in making actuarial assumptions. Withdrawal rates for employees ranged from 7% at age 25 to 2% at age 50. Disability rates ranged from .01% at age 25 to .47% at age 55. Retirement rates ranged from 5% at age 38 to 100% at age 72. The remaining amortization period at June 30, 2011, was twenty-seven years. The actuarial value of plan assets has increased from 9.38% of actuarial accrued liability in 2009 to 24.82% in 2010 and is 33.61% in 2011.

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES: The payables at June 30, 2011, are as follows:

| | School District No. General | School District No. 2 CP | Parishwide Capital Project | School District No. 4 CP | Other Governmental | Internal Service | Total Governmental |
|----------|-----------------------------------|--------------------------------|----------------------------------|--------------------------------|-----------------------|------------------|-----------------------|
| Salaries | \$ 3,651,962 | \$ - | \$ - | \$ - | \$ 957,618 | \$ - | \$ 4,609,580 |
| Accounts | 1,155,580 | 1,250,341 | 134,486 | 1,670,812 | 1,218,536 | 9,527 | 5,439,282 |
| Claims | 76,134 | - | - | - | 65,461 | - | 141,595 |
| Total | <u>\$ 4,883,676</u> | <u>\$1,250,341</u> | <u>\$ 134,486</u> | <u>\$ 1,670,812</u> | <u>\$ 2,241,615</u> | <u>\$ 9,527</u> | <u>\$ 10,190,457</u> |

NOTE 9 - COMPENSATED ABSENCES: At June 30, 2011, employees of the School Board have accumulated and vested \$4,560,941 of employee leave benefits. These benefits were described in Note 1 (L) and were computed in accordance with GASB Codification Section C60.

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

| | Balance at Beginning of year | Additions | Deletions | Balance at Ending of year |
|-------------------|------------------------------------|---------------------|---------------------|---------------------------------|
| School Activities | <u>\$ 459,629</u> | <u>\$ 1,521,386</u> | <u>\$ 1,515,556</u> | <u>\$ 465,459</u> |

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

NOTE 11 - LONG-TERM LIABILITIES: The following is a summary of the long-term liabilities transactions and balances for the year ended June 30, 2011:

| | Beginning Balance | Additions | Deletions | Ending Balance | Amounts Due Within One year |
|---------------------------------|----------------------|---------------------|----------------------|----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Bonded debt and sales tax bonds | \$ 40,168,000 | \$ - | \$ 1,743,000 | \$ 38,425,000 | \$ 1,810,000 |
| Premium on bonds | 50,143 | - | 2,639 | 47,504 | - |
| Other Liabilities: | | | | | |
| Claims | 2,184,658 | 8,321,437 | 8,375,795 | 2,130,300 | 150,000 |
| Compensated absences | 3,818,369 | 934,113 | 191,541 | 4,560,941 | 191,541 |
| Long-term liabilities | <u>\$ 46,221,170</u> | <u>\$ 9,255,550</u> | <u>\$ 10,312,975</u> | <u>\$ 45,163,745</u> | <u>\$ 2,151,541</u> |

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

Long term debt at June 30, 2011 is comprised of the following issues:

| | Original Amount | Interest Rates | Final Payment | Interest to Maturity | Principal Outstanding |
|------------------------------|--------------------|-------------------|------------------|-------------------------|--------------------------|
| DISTRICT 2 | | | | | |
| December 1, 2004 | \$ 7,000,000 | 3.9-5.5 | 2024 | \$ 1,959,909 | \$ 5,830,000 |
| March 1, 2005 | 5,000,000 | 3.9-6.0 | 2025 | 1,526,617 | 4,235,000 |
| November 12, 1998 | | | | | |
| Certificates of Indebtedness | 2,795,000 | 3.35 | 2012 | 21,607 | 640,000 |
| December 1, 2005 | 1,650,000 | 1.0-4.5 | 2017 | 161,454 | 1,045,000 |
| May 1, 2010 | 9,000,000 | 3.91 | 2030 | 3,945,806 | 8,730,000 |
| Limited Tax Revenue Bonds | | | | | |
| DISTRICT 3 | | | | | |
| September 1, 1994 | 300,000 | 5.3-9.0 | 2013 | 6,749 | 75,000 |
| DISTRICT 4 | | | | | |
| September 1, 2007 | 10,000,000 | 4.0-6.0 | 2032 | 5,136,059 | 9,310,000 |
| January 1, 2008 | 9,000,000 | 4.0-6.0 | 2032 | 4,601,204 | 8,560,000 |
| Total | | | | <u>\$ 17,359,405</u> | <u>\$ 38,425,000</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.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2011, the School Board had accumulated \$3,758,781 in the debt service funds for future debt requirements. The bonds are due as follows:

| Year Ending June 30, | Principal Payments | Interest Payments | Total |
|----------------------|-----------------------|----------------------|----------------------|
| 2012 | \$ 1,810,000 | \$ 1,618,083 | \$ 3,428,083 |
| 2013 | 1,890,000 | 1,537,302 | 3,427,302 |
| 2014 | 1,645,000 | 1,459,085 | 3,104,085 |
| 2015 | 1,710,000 | 1,385,341 | 3,095,341 |
| 2016 | 1,795,000 | 1,310,365 | 3,105,365 |
| 2017-2021 | 9,515,000 | 5,397,371 | 14,912,371 |
| 2022-2026 | 10,330,000 | 3,267,215 | 13,597,215 |
| 2027-2031 | 8,385,000 | 1,326,280 | 9,711,280 |
| 2032 | 1,345,000 | 58,363 | 1,403,363 |
| Total | \$ 38,425,000 | \$ 17,359,405 | \$ 55,784,405 |

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, 2011, the statutory limit is \$165,092,572 and outstanding net bonded debt totals \$25,296,219.

NOTE 12 - INTERFUND ASSETS/ LIABILITIES (FFS LEVEL ONLY): Assets/Liabilities at June 30, 2011 were as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | Amount |
|------------------------|---------------------------------------|---------------------|
| General | School District No. 4 Capital Project | \$ 155,722 |
| | Other Governmental | 1,645,947 |
| Total | | <u>\$ 1,801,669</u> |

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

NOTE 13 - INTERFUND TRANSFERS (FFS LEVEL ONLY): Transfers for the year ended June 30, 2011, were as follows:

| <u>Fund</u> | <u>Transfer In</u> | <u>Transfers Out</u> |
|--------------------|--------------------|----------------------|
| General | \$ 438,080 | \$ - |
| Other Governmental | - | 438,080 |
| Totals | <u>\$ 438,080</u> | <u>\$ 438,080</u> |

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

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

NOTE 14 - ENCUMBRANCES (FFS LEVEL ONLY): Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are carried forward to the next year. At June 30, 2011, the School Board had entered into purchase orders and commitments as follows:

| <u>Fund</u> | <u>Amount</u> |
|-----------------------|-----------------------------------|
| School District No. 1 | \$ 1,332,362 |
| School District No. 2 | 2,701,669 |
| School District No. 3 | 79,650 |
| School District No. 4 | 2,466,048 |
| School District No. 5 | 37,513 |
| Parish wide | 296,865 |
| Total | <u><u>\$ 6,914,107</u></u> |

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

The School Board is partially self-insured for medical, dental and workers' compensation insurance coverage. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company under its medical plan for individual claims in excess of \$150,000 and for total annual claims in excess of 125% of expected claims. The School Board maintains stop-loss coverage with an insurance company under its workers' compensation plan for individual claims in excess of \$250,000 and for total claims that exceed \$1,000,000 in a three year period.

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 general fund and internal service fund. This liability is the School Board's best estimate based on available information. Changes in the reported liability since June 30, 2008 resulted from the following:

Worker's Compensation

| | <u>Beginning of Year Liability</u> | <u>Claims and Changes in Estimates</u> | <u>Benefit Payments and Claims</u> | <u>End of Year Liability</u> |
|-----------|--|--|--|----------------------------------|
| 2008-2009 | \$ 204,602 | \$ 408,503 | \$ 304,226 | \$ 308,879 |
| 2009-2010 | 308,879 | (47,341) | 44,180 | 217,358 |
| 2010-2011 | 217,358 | (33,484) | 42,279 | 141,595 |

The liability for worker's compensation is included in accounts, salaries and other payables in the general fund.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

Health & Dental Insurance

| | <u>Beginning of Year Liability</u> | <u>Claims and Changes in Estimates</u> | <u>Benefit Payments and Claims</u> | <u>End of Year Liability</u> |
|-----------|--|--|--|----------------------------------|
| 2008-2009 | \$ 2,175,409 | \$ 8,683,169 | \$ 8,680,519 | \$ 2,178,059 |
| 2009-2010 | 2,178,059 | 7,685,737 | 7,679,138 | 2,184,658 |
| 2010-2011 | 2,184,658 | 8,321,437 | 8,375,795 | 2,130,300 |

NOTE 16 - LITIGATION AND CLAIMS:

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

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

Construction in Progress: The School Board had ongoing construction projects for a multi-purpose facility, a school library and office renovation, maintenance facility, and other school renovations and additions at year end. The School Board has spent \$38,914,722 on these projects and has purchase orders and commitments of another \$6,914,107.

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

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$10,540. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 18 - ECONOMIC DEPENDENCY: Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$19,965,412 to the School Board, which represents approximately 16% of the School Board's total revenue in the governmental funds for the year.

NOTE 19 - JOINTLY GOVERNED ORGANIZATION: The DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with the joint agreement of the agencies. Sales taxes of \$73,086,778 were collected by the Commission and distributed to the School Board.

DeSoto Parish School Board
Notes to the Basic Financial Statements
June 30, 2011

NOTE 20 - NEW FUNDS: The School Board established three new funds for the current fiscal year. The new special revenue funds established were Teacher Incentive Fund, Prevention and Wellness ARRA Fund, and the Education Jobs Fund. These funds were established to account for new grants.

NOTE 21 - FUND BALANCE CLASSIFICATION DETAILS: The following are details of the fund balance classifications.

| | General | School District No. 2 Capital Project | Parishwide Capital Project | School District No. 4 Capital Project | Other Funds | Total |
|--|---------------------|---|-------------------------------|---|----------------------|----------------------|
| Non spendable: | | | | | | |
| Inventory and prepaid items | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 29,202 | \$ 29,202 |
| Restricted for: | | | | | | |
| Utilities and insurance for schools | 0 | 0 | 0 | 0 | 2,488,220 | 2,488,220 |
| School food service | 0 | 0 | 0 | 0 | 880,003 | 880,003 |
| Debt service | 0 | 0 | 0 | 0 | 1,964,085 | 1,964,085 |
| Committed to: | | | | | | |
| Bus purchases | 1,000,000 | 0 | 0 | 0 | 0 | 1,000,000 |
| Technology equipment | 1,000,000 | 0 | 0 | 0 | 0 | 1,000,000 |
| Property and casualty deductible | 1,000,000 | 0 | 0 | 0 | 0 | 1,000,000 |
| Sick and annual leave pay | 1,909,185 | 0 | 0 | 0 | 0 | 1,909,185 |
| Self funded workers' compensation | 400,000 | 0 | 0 | 0 | 0 | 400,000 |
| Bus driver insurance deductible | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| School construction | 0 | 11,679,797 | 21,644,972 | 2,491,250 | 3,830,220 | 39,646,239 |
| Educational programs not funded by state or federal government | 0 | 0 | 0 | 0 | 3,099,066 | 3,099,066 |
| Debt service | 0 | 0 | 0 | 0 | 1,794,696 | 1,794,696 |
| Total | <u>\$ 5,359,185</u> | <u>\$ 11,679,797</u> | <u>\$ 21,644,972</u> | <u>\$ 2,491,250</u> | <u>\$ 14,085,492</u> | <u>\$ 55,260,696</u> |

**DeSoto Parish School Board
Mansfield, Louisiana**

**REQUIRED SUPPLEMENTAL
INFORMATION**

**DeSoto Parish School Board
Mansfield, Louisiana**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2011**

| Year Ended June 30 | Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) | (b-a) Unfunded AAL (UAAL) | (a/b) Funded Ratio | (c) Covered Payroll | (b-a/c) UAAL as a Percentage of Covered Payroll |
|--------------------------|--------------------------------|--|---|---------------------------------|--------------------------|---------------------------|---|
| 2009 | 7/1/2007 | \$ 8,444,399 | \$ 90,036,000 | \$ 81,591,601 | 9.38% | \$ 35,245,729 | 231.49% |
| 2010 | 7/1/2007 | 22,344,306 | 90,036,000 | 67,691,694 | 24.82% | 43,133,300 | 156.94% |
| 2011 | 7/1/2010 | 38,259,973 | 113,849,851 | 75,589,878 | 33.61% | 48,962,463 | 154.38% |

**DeSoto Parish School Board
Mansfield, Louisiana**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POST-EMPLOYMENT BENEFIT
PLAN
JUNE 30, 2011**

| <u>Year Ended June 30</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|-----------------------------------|---|-----------------------------------|
| 2009 | \$ 8,524,287 | 126% |
| 2010 | 8,524,287 | 261% |
| 2011 | 11,053,722 | 136% |

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

General Fund and Legally Adopted Annual Budget

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

DESOTO PARISH SCHOOL BOARD

GENERAL FUND
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2011

Exhibit 1-1

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|------------------|---------------|----------------|----------------------------|
| | ORIGINAL | FINAL | | POSITIVE (NEGATIVE) |
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 13,425,397 | \$ 15,400,030 | \$ 15,410,383 | \$ 10,353 |
| Sales and use | 28,880,000 | 39,511,337 | 39,511,337 | 0 |
| Interest earnings | 113,154 | 86,435 | 169,654 | 83,219 |
| Other | 770,104 | 3,002,809 | 3,079,021 | 76,212 |
| State sources: | | | | |
| Equalization | 18,593,868 | 19,316,211 | 19,316,211 | 0 |
| Other | 1,191,501 | 1,084,816 | 1,084,876 | 260 |
| Federal sources | 130,426 | 136,078 | 127,954 | (8,124) |
| Total Revenues | 63,104,450 | 78,537,516 | 78,699,436 | 161,920 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | 25,248,734 | 30,347,640 | 29,962,922 | 384,718 |
| Special programs | 14,203,381 | 16,171,652 | 15,850,731 | 320,921 |
| Adult/continuing education programs | 0 | 9,910 | 9,909 | 1 |
| Support services: | | | | |
| Pupil support services | 3,040,392 | 3,712,474 | 3,664,583 | 47,891 |
| Instructional staff support | 4,183,386 | 5,204,330 | 5,100,111 | 104,219 |
| General administration | 1,580,451 | 1,814,801 | 1,800,112 | 14,689 |
| School administration | 4,337,865 | 5,588,452 | 5,530,332 | 58,120 |
| Business services | 1,175,999 | 1,629,081 | 1,588,318 | 40,763 |
| Plant services | 4,862,224 | 6,481,264 | 6,388,732 | 92,532 |
| Student transportation services | 4,876,993 | 6,547,040 | 6,444,950 | 102,090 |
| Central services | 309,272 | 383,460 | 347,032 | 36,428 |
| Total Expenditures | 63,818,697 | 77,890,104 | 76,687,732 | 1,202,372 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ (714,247) | \$ 647,412 | \$ 2,011,704 | \$ 1,364,292 |

(CONTINUED)

DESOTO PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

Exhibit 1-1

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|---------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 378,659 | \$ 438,080 | \$ 438,080 | \$ 0 |
| Transfers out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 378,659 | 438,080 | 438,080 | 0 |
| Net Change In Fund Balance | (335,588) | 1,085,492 | 2,449,784 | 1,364,292 |
| FUND BALANCE- BEGINNING | 11,715,704 | 11,705,134 | 11,705,134 | 0 |
| FUND BALANCE - ENDING | \$ 11,380,116 | \$ 12,790,626 | \$ 14,154,918 | \$ 1,364,292 |

(CONCLUDED)

DeSoto Parish School Board
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2011

A. BUDGETS

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

Phase I – The Budget Call

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

Phase II – Obtaining Input from Staff

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

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

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

Phase IV – Public Meetings & Board Adoption of the Budget

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

Phase V – Monitoring and Revising the Budget After Award

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

Budget Basis of Accounting

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

**DeSoto Parish School Board
Mansfield, Louisiana**

SUPPLEMENTAL 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, 2011

Exhibit 2

| | <u>SPECIAL REVENUE</u> | <u>DEBT SERVICE</u> | <u>CAPITAL PROJECTS</u> | <u>TOTAL</u> |
|--|----------------------------|-------------------------|-----------------------------|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 6,951,766 | \$ 2,357,288 | \$ 4,777,599 | \$ 14,086,651 |
| Investments | 0 | 1,409,900 | 0 | 1,409,900 |
| Receivables | 2,143,434 | 5,131 | 298,900 | 2,447,465 |
| Inventory | 29,202 | 0 | 0 | 29,202 |
| TOTAL ASSETS | 9,124,402 | 3,772,317 | 5,076,499 | 17,973,218 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 1,248,689 | 0 | 992,926 | 2,241,615 |
| Interfund payables | 1,379,058 | 13,536 | 253,353 | 1,645,947 |
| Deferred revenues | 164 | 0 | 0 | 164 |
| Total Liabilities | 2,627,911 | 13,536 | 1,246,279 | 3,887,726 |
| Fund Balances: | | | | |
| Nonspendable | 29,202 | 0 | 0 | 29,202 |
| Restricted | 3,368,223 | 1,964,085 | 0 | 5,332,308 |
| Committed | 3,099,066 | 1,794,696 | 3,830,220 | 8,723,982 |
| Assigned | 0 | 0 | 0 | 0 |
| Total Fund Balances | 6,496,491 | 3,758,781 | 3,830,220 | 14,085,492 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 9,124,402 | \$ 3,772,317 | \$ 5,076,499 | \$ 17,973,218 |

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, 2011

Exhibit 3

| | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | TOTAL |
|--|----------------------------|-------------------------|-----------------------------|---------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 2,996,832 | \$ 3,234,949 | \$ 0 | \$ 6,231,781 |
| Sales and use | 2,120,000 | 2,021,503 | 3,100,490 | 7,241,993 |
| Interest earnings | 31,673 | 10,335 | 17,874 | 59,882 |
| Food services | 336,417 | 0 | 0 | 336,417 |
| Other | 85,094 | 0 | 0 | 85,094 |
| State sources: | | | | |
| Equalization | 649,201 | 0 | 0 | 649,201 |
| Other | 47,913 | 4,754 | 0 | 52,667 |
| Federal sources | | | | |
| | 9,158,365 | 0 | 0 | 9,158,365 |
| Total Revenues | 15,425,495 | 5,271,541 | 3,118,364 | 23,815,400 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 7,474,141 | 0 | 0 | 7,474,141 |
| Support services: | | | | |
| Pupil support services | 267,282 | 0 | 0 | 267,282 |
| Instructional staff support | 98,988 | 0 | 0 | 98,988 |
| General administration | 234,598 | 159,746 | 14,243 | 408,587 |
| Business services | 3,740 | 0 | 0 | 3,740 |
| Plant services | 1,912,491 | 0 | 0 | 1,912,491 |
| Student transportation services | 292,126 | 0 | 0 | 292,126 |
| Food services | 4,889,795 | 0 | 0 | 4,889,795 |
| Capital outlay | 0 | 0 | 3,727,908 | 3,727,908 |
| Debt service: | | | | |
| Principal retirement | 0 | 1,743,000 | 0 | 1,743,000 |
| Interest and bank charges | 0 | 1,646,074 | 0 | 1,646,074 |
| Total Expenditures | 15,173,161 | 3,548,820 | 3,742,149 | 22,464,130 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 252,334 | \$ 1,722,721 | \$ (623,785) | \$ 1,351,270 |

(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, 2011

Exhibit 3

| | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | TOTAL |
|--------------------------------------|--------------------|-----------------|---------------------|---------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Transfers out | (438,080) | 0 | | (438,080) |
| Total Other Financing Sources (Uses) | (438,080) | 0 | 0 | (438,080) |
| Net Change in Fund Balances | (185,746) | 1,722,721 | (623,785) | 913,190 |
| FUND BALANCES - BEGINNING | 6,682,237 | 2,036,060 | 4,454,005 | 13,172,302 |
| FUND BALANCES - ENDING | \$ 6,496,491 | \$ 3,758,781 | \$ 3,830,220 | \$ 14,085,492 |

(CONCLUDED)

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Special Revenue Funds**

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

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

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

SAFE AND DRUG FREE SCHOOLS (TITLE IV): To enhance the Nation's efforts to prevent the illegal use of drugs and violence among, and promote safety and discipline for, students at all educational levels.

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

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

PREVENTION AND WELLNESS ARRA: To provide training to food service personnel to enable them to prepare and serve nutritious meals that appeal to 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.

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

**DeSoto Parish School Board
Mansfield, Louisiana
Nonmajor Special Revenue Funds**

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

READING FIRST: Reading program designed to have all students reading on grade level by the end of the third grade using scientifically based reading research.

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

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

EDUCATION JOBS FUND: To provide funds to states to assist local educational agencies in saving or creating education jobs during the 2010-11 school year.

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011

| | EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I | IMPROVING TEACHER QUALITY TITLE II | LITERACY CHALLENGE TITLE III | SAFE AND DRUG FREE SCHOOLS TITLE IV |
|--|--|---|------------------------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Receivables | 952,082 | 126,438 | 954 | 0 |
| Inventory | 0 | 0 | 0 | 0 |
| TOTAL ASSETS | 952,082 | 126,438 | 954 | 0 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 238,608 | 62,476 | 175 | 0 |
| Interfund payables | 713,432 | 63,958 | 1,129 | 0 |
| Deferred revenues | 42 | 4 | 0 | 0 |
| Total Liabilities | 952,082 | 126,438 | 954 | 0 |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 | 0 |
| Committed | 0 | 0 | 0 | 0 |
| Total Fund Balances | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 952,082 | \$ 126,438 | \$ 954 | \$ 0 |

Exhibit 4

| 7 MILL MAINTENANCE TAX | SPECIAL EDUCATION | PREVENTION AND WELLNESS ARRA | TEACHER INCENTIVE | JOBS FOR AMERICA'S GRADUATES |
|------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| \$ 2,493,292 | \$ 0 | \$ 5,499 | \$ 0 | \$ 0 |
| 81,442 | 304,367 | 0 | 98,588 | 17,461 |
| 0 | 0 | 0 | 0 | 0 |
| <u>2,574,734</u> | <u>304,367</u> | <u>5,499</u> | <u>98,588</u> | <u>17,461</u> |
| 86,514 | 151,857 | 5,499 | 0 | 6,458 |
| 0 | 152,392 | 0 | 98,588 | 11,003 |
| 0 | 118 | 0 | 0 | 0 |
| <u>86,514</u> | <u>304,367</u> | <u>5,499</u> | <u>98,588</u> | <u>17,461</u> |
| 0 | 0 | 0 | 0 | 0 |
| 2,488,220 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| <u>2,488,220</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$ 2,574,734</u> | <u>\$ 304,367</u> | <u>\$ 5,499</u> | <u>\$ 98,588</u> | <u>\$ 17,461</u> |

(Continued)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2011

| | SCHOOL FOOD SERVICE | VOCATIONAL EDUCATION | INSTRUCTIONAL ENHANCEMENT PROGRAM | READING FIRST |
|--|------------------------------------|---------------------------------|--|--------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,233,411 | \$ 0 | \$ 3,219,564 | \$ 0 |
| Receivables | 19,741 | 33,864 | 0 | 0 |
| Inventory | 29,202 | 0 | 0 | 0 |
| TOTAL ASSETS | 1,282,354 | 33,864 | 3,219,564 | 0 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 373,149 | 5,477 | 120,498 | 0 |
| Interfund payables | 0 | 28,387 | 0 | 0 |
| Deferred revenues | 0 | 0 | 0 | 0 |
| Total Liabilities | 373,149 | 33,864 | 120,498 | 0 |
| Fund Balances: | | | | |
| Nonspendable | 29,202 | 0 | 0 | 0 |
| Restricted | 880,003 | 0 | 0 | 0 |
| Committed | 0 | 0 | 3,099,066 | 0 |
| Total Fund Balances | 909,205 | 0 | 3,099,066 | 0 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,282,354 | \$ 33,864 | \$ 3,219,564 | \$ 0 |

Exhibit 4

| EARLY CHILDHOOD DEVELOPMENT | SCHOOL IMPROVEMENT | EDUCATION JOBS FUND | TOTAL |
|-----------------------------------|-----------------------|---------------------------|---------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 6,951,766 |
| 171,937 | 0 | 336,560 | 2,143,434 |
| 0 | 0 | 0 | 29,202 |
| <u>171,937</u> | <u>0</u> | <u>336,560</u> | <u>9,124,402</u> |
| 96,424 | 0 | 101,904 | 1,248,689 |
| 75,513 | 0 | 234,656 | 1,379,058 |
| 0 | 0 | 0 | 164 |
| <u>171,937</u> | <u>0</u> | <u>336,560</u> | <u>2,627,911</u> |
| 0 | 0 | 0 | 29,202 |
| 0 | 0 | 0 | 3,368,223 |
| 0 | 0 | 0 | 3,099,066 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>6,496,491</u> |
| <u>\$ 171,937</u> | <u>\$ 0</u> | <u>\$ 336,560</u> | <u>\$ 9,124,402</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, 2011

| | EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I | IMPROVING TEACHER QUALITY TITLE II | LITERACY CHALLENGE TITLE III | SAFE AND DRUG FREE SCHOOLS TITLE IV |
|--|--|---|------------------------------------|--|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sales and use | 0 | 0 | 0 | 0 |
| Interest earnings | 0 | 0 | 0 | 0 |
| Food services | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| State sources: | | | | |
| Equalization | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Federal sources | 2,697,940 | 474,797 | 9,695 | 8 |
| Total Revenues | 2,697,940 | 474,797 | 9,695 | 8 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 2,300,237 | 343,854 | 9,505 | 0 |
| Support services: | | | | |
| Pupil support services | 80,541 | 0 | 0 | 8 |
| Instructional staff support | 0 | 95,736 | 0 | 0 |
| General administration | 0 | 0 | 0 | 0 |
| Business services | 0 | 0 | 0 | 0 |
| Plant services | 0 | 0 | 0 | 0 |
| Student transportation services | 115,014 | 0 | 0 | 0 |
| Food services | 0 | 0 | 0 | 0 |
| Total Expenditures | 2,495,792 | 439,590 | 9,505 | 8 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 202,148 | \$ 35,207 | \$ 190 | \$ 0 |

Exhibit 5

| 7 MILL MAINTENANCE TAX | SPECIAL EDUCATION | PREVENTION AND WELLNESS ARRA | TEACHER INCENTIVE | JOBS FOR AMERICA'S GRADUATES |
|------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| \$ 2,996,832 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 |
| 10,250 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 80,003 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 47,913 | 0 | 0 | 0 | 0 |
| 0 | 1,730,945 | 8,500 | 540,963 | 50,000 |
| 3,134,998 | 1,730,945 | 8,500 | 540,963 | 50,000 |
| 16,152 | 1,331,210 | 8,500 | 540,963 | 46,042 |
| 0 | 186,733 | 0 | 0 | 0 |
| 0 | 3,252 | 0 | 0 | 0 |
| 234,598 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 1,912,491 | 0 | 0 | 0 | 0 |
| 89,913 | 87,199 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 2,253,154 | 1,608,394 | 8,500 | 540,963 | 46,042 |
| \$ 881,844 | \$ 122,551 | \$ 0 | \$ 0 | \$ 3,958 |

(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, 2011**

| | EDUCATIONAL CONSOLIDATION & IMPROVEMENT ACT - TITLE I | IMPROVING TEACHER QUALITY TITLE II | LITERACY CHALLENGE TITLE III | SAFE AND DRUG FREE SCHOOLS TITLE IV |
|---|--|---|---|--|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 0 | 0 | \$ 0 | \$ 0 |
| Transfers out | (202,148) | (35,207) | (190) | 0 |
| Total Other Financing Sources (Uses) | (202,148) | (35,207) | (190) | 0 |
| Net Change in Fund Balance | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Exhibit 5

| 7 MILL MAINTENANCE TAX | SPECIAL EDUCATION | PREVENTION AND WELLNESS ARRA | TEACHER INCENTIVE | JOBS FOR AMERICA'S GRADUATES |
|------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | (122,551) | 0 | 0 | (3,958) |
| 0 | (122,551) | 0 | 0 | (3,958) |
| 881,844 | 0 | 0 | 0 | 0 |
| 1,606,376 | 0 | 0 | 0 | 0 |
| <u>\$ 2,488,220</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</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, 2011

| | SCHOOL FOOD SERVICE | VOCATIONAL EDUCATION | INSTRUCTIONAL ENHANCEMENT PROGRAM | READING FIRST |
|--|---------------------------|-------------------------|---|------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sales and use | 2,120,000 | 0 | 0 | 0 |
| Interest earnings | 4,246 | 0 | 17,177 | 0 |
| Food services | 336,417 | 0 | 0 | 0 |
| Other | 1,980 | 3,111 | 0 | 0 |
| State sources: | | | | |
| Equalization | 649,201 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Federal sources | 1,776,221 | 78,635 | 0 | 21,487 |
| Total Revenues | 4,888,065 | 81,746 | 17,177 | 21,487 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 0 | 78,006 | 1,083,037 | 20,760 |
| Support services: | | | | |
| Pupil support services | 0 | 0 | 0 | 0 |
| Instructional staff support | 0 | 0 | 0 | 0 |
| General administration | 0 | 0 | 0 | 0 |
| Business services | 0 | 3,740 | 0 | 0 |
| Plant services | 0 | 0 | 0 | 0 |
| Student transportation services | 0 | 0 | 0 | 0 |
| Food services | 4,889,795 | 0 | 0 | 0 |
| Total Expenditures | 4,889,795 | 81,746 | 1,083,037 | 20,760 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ (1,730) | \$ 0 | \$ (1,065,860) | \$ 727 |

Exhibit 5

| EARLY CHILDHOOD DEVELOPMENT | SCHOOL IMPROVEMENT | EDUCATION JOBS FUND | TOTAL |
|-----------------------------------|-----------------------|---------------------------|-------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 2,996,832 |
| 0 | 0 | 0 | 2,120,000 |
| 0 | 0 | 0 | 31,573 |
| 0 | 0 | 0 | 338,417 |
| 0 | 0 | 0 | 85,084 |
| 0 | 0 | 0 | 649,201 |
| 0 | 0 | 0 | 47,913 |
| <u>914,098</u> | <u>16,935</u> | <u>838,141</u> | <u>9,158,365</u> |
| <u>914,098</u> | <u>16,935</u> | <u>838,141</u> | <u>15,425,495</u> |
| 841,689 | 16,045 | 838,141 | 7,474,141 |
| 0 | 0 | 0 | 267,282 |
| 0 | 0 | 0 | 98,988 |
| 0 | 0 | 0 | 234,688 |
| 0 | 0 | 0 | 3,740 |
| 0 | 0 | 0 | 1,912,491 |
| 0 | 0 | 0 | 292,128 |
| 0 | 0 | 0 | 4,889,795 |
| <u>841,689</u> | <u>16,045</u> | <u>838,141</u> | <u>15,173,161</u> |
| \$ 72,409 | \$ 890 | \$ 0 | \$ 252,334 |

(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, 2011

| | SCHOOL FOOD SERVICE | VOCATIONAL EDUCATION | INSTRUCTIONAL ENHANCEMENT PROGRAM | READING FIRST |
|---|------------------------------------|---------------------------------|--|--------------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Transfers out | 0 | 0 | 0 | (727) |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | (727) |
| Net Change in Fund Balance | (1,730) | 0 | (1,065,860) | 0 |
| FUND BALANCES - BEGINNING | 910,935 | 0 | 4,164,926 | 0 |
| FUND BALANCES - ENDING | \$ 909,205 | \$ 0 | \$ 3,099,066 | \$ 0 |

Exhibit 5

| EARLY CHILDHOOD DEVELOPMENT | SCHOOL IMPROVEMENT | EDUCATION JOBS FUND | TOTAL |
|-----------------------------------|-----------------------|---------------------------|--------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| (72,409) | (890) | 0 | (438,080) |
| (72,409) | (890) | 0 | (438,080) |
| 0 | 0 | 0 | (185,746) |
| 0 | 0 | 0 | 6,682,237 |
| \$ 0 | \$ 0 | \$ 0 | \$ 6,496,491 |

(Concluded)

DESOTO PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND

Educational Consolidation and Improvement Act
Title I

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2011

Exhibit 6-1

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|------------------|------------------|--|
| REVENUES | | | | |
| Federal sources | \$ 2,529,890 | \$ 3,058,161 | \$ 2,697,940 | \$ (360,221) |
| Total Revenues | 2,529,890 | 3,058,161 | 2,697,940 | (360,221) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 1,896,468 | 2,824,376 | 2,300,237 | 324,139 |
| Support services: | | | | |
| Pupil support services | 70,769 | 87,782 | 80,541 | 7,241 |
| Instructional staff support | 267,980 | 0 | 0 | 0 |
| Student transportation services | 114,125 | 115,592 | 115,014 | 578 |
| Total Expenditures | 2,349,342 | 2,827,750 | 2,495,792 | 331,958 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 180,548 | 230,411 | 202,148 | (28,263) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (180,548) | (230,411) | (202,148) | 28,263 |
| Total Other Financing Sources (Uses) | (180,548) | (230,411) | (202,148) | 28,263 |
| Net Changes in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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, 2011

Exhibit 6-2

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|-----------------|--|
| REVENUES | | | | |
| Federal sources | \$ 498,536 | \$ 516,764 | \$ 474,797 | \$ (41,967) |
| Total Revenues | 498,536 | 516,764 | 474,797 | (41,967) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 393,723 | 382,572 | 343,854 | 38,718 |
| Support services: | | | | |
| Instructional staff support | 66,958 | 95,747 | 95,738 | 11 |
| Total Expenditures | 460,679 | 478,319 | 439,590 | 38,729 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 37,857 | 38,445 | 35,207 | (3,238) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (37,857) | (38,445) | (35,207) | 3,238 |
| Total Other Financing Sources (Uses) | (37,857) | (38,445) | (35,207) | 3,238 |
| Net Change in Fund Balance | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Literacy Challenge
Title III

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2011

Exhibit 6-3

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|--------------|--|
| REVENUES | | | | |
| Federal sources | \$ 13,351 | \$ 14,563 | \$ 9,695 | \$ (4,868) |
| Total Revenues | 13,351 | 14,563 | 9,695 | (4,868) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 13,089 | 14,278 | 9,505 | 4,773 |
| Total Expenditures | 13,089 | 14,278 | 9,505 | 4,773 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 262 | 285 | 190 | (95) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (262) | (285) | (190) | 95 |
| Total Other Financing Sources (Uses) | (262) | (285) | (190) | 95 |
| Net Change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Safe and Drug Free Schools
Title IV

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2011

Exhibit 6-4

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|-------------|--|
| REVENUES | | | | |
| Federal sources | \$ 9 | \$ 9 | \$ 8 | \$ (1) |
| Total Revenues | <u>9</u> | <u>9</u> | <u>8</u> | <u>(1)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services: | | | | |
| Pupil support services | 9 | 9 | 8 | 1 |
| Total Expenditures | <u>9</u> | <u>9</u> | <u>8</u> | <u>1</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES - ENDING | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

7 Mill Maintenance Tax

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2011**

Exhibit 6-5

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|---------------------|---------------------|---------------------|--|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 2,484,480 | \$ 2,998,514 | \$ 3,002,832 | \$ 4,318 |
| Interest earnings | 12,773 | 10,932 | 4,250 | (6,682) |
| Other | 0 | 0 | 80,003 | 80,003 |
| State sources: | | | | |
| Other | 44,646 | 44,779 | 47,913 | 3,134 |
| Total Revenues | 2,541,879 | 3,054,225 | 3,134,998 | 80,773 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 18,025 | 16,152 | 16,152 | 0 |
| Support services: | | | | |
| General administration | 213,840 | 234,598 | 234,598 | 0 |
| Business services | 110 | 110 | 0 | 110 |
| Plant services | 2,014,700 | 2,234,292 | 1,912,491 | 321,801 |
| Student transportation services | 106,700 | 109,697 | 89,913 | 19,784 |
| Total Expenditures | 2,353,375 | 2,594,849 | 2,253,154 | 341,695 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 188,504 | 459,376 | 881,844 | 422,468 |
| FUND BALANCES - BEGINNING | 1,606,376 | 1,606,376 | 1,606,376 | 0 |
| FUND BALANCES - ENDING | \$ 1,794,880 | \$ 2,065,752 | \$ 2,488,220 | \$ 422,468 |

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, 2011**

Exhibit 6-6

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|------------------|------------------|--|
| REVENUES | | | | |
| Federal sources | \$ 1,727,010 | \$ 1,936,657 | \$ 1,730,945 | \$ (205,712) |
| Total Revenues | <u>1,727,010</u> | <u>1,936,657</u> | <u>1,730,945</u> | <u>(205,712)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 1,356,021 | 1,373,667 | 1,331,210 | 42,457 |
| Support services: | | | | |
| Pupil support services | 217,164 | 223,818 | 186,733 | 37,085 |
| Instructional staff support | 16,026 | 109,102 | 3,252 | 105,850 |
| Student transportation services | 1,007 | 91,330 | 87,199 | 4,131 |
| Total Expenditures | <u>1,590,218</u> | <u>1,797,917</u> | <u>1,608,394</u> | <u>189,523</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>136,792</u> | <u>138,740</u> | <u>122,551</u> | <u>(16,189)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(136,792)</u> | <u>(138,740)</u> | <u>(122,551)</u> | <u>16,189</u> |
| Total Other Financing Sources (Uses) | <u>(136,792)</u> | <u>(138,740)</u> | <u>(122,551)</u> | <u>16,189</u> |
| Net Change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES - ENDING | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Prevention and Wellness ARRA

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2011**

Exhibit 6-7

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|--------------|--|
| REVENUES | | | | |
| Federal sources | \$ 17,000 | \$ 8,500 | \$ 8,500 | \$ 0 |
| Total Revenues | <u>17,000</u> | <u>8,500</u> | <u>8,500</u> | <u>0</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 17,000 | 8,500 | 8,500 | 0 |
| Total Expenditures | <u>17,000</u> | <u>8,500</u> | <u>8,500</u> | <u>0</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES - ENDING | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

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, 2011**

Exhibit 6-8

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|------------------|----------------|--|
| REVENUES | | | | |
| Federal sources | \$ 1,946,352 | \$ 1,946,352 | \$ 540,963 | \$ (1,405,389) |
| Total Revenues | 1,946,352 | 1,946,352 | 540,963 | (1,405,389) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 1,792,173 | 1,946,352 | 540,963 | 1,405,389 |
| Total Expenditures | 1,792,173 | 1,946,352 | 540,963 | 1,405,389 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 154,179 | 0 | 0 | 0 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (154,179) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | (154,179) | 0 | 0 | 0 |
| Net Change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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, 2011**

Exhibit 6-9

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|----------------|--|
| REVENUES | | | | |
| Federal sources | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 0 |
| Total Revenues | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>0</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 46,042 | 46,044 | 46,042 | 2 |
| Total Expenditures | <u>46,042</u> | <u>46,044</u> | <u>46,042</u> | <u>2</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | <u>3,958</u> | <u>3,956</u> | <u>3,958</u> | <u>2</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (3,958) | (3,956) | (3,958) | (2) |
| Total Other Financing Sources (Uses) | <u>(3,958)</u> | <u>(3,956)</u> | <u>(3,958)</u> | <u>(2)</u> |
| Net Change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES - ENDING | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

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, 2011**

Exhibit 6-10

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|----------------------------|-------------------------|-------------------|---|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Sales and use | \$ 1,520,000 | \$ 2,000,000 | \$ 2,120,000 | \$ 120,000 |
| Interest earnings | 5,500 | 4,480 | 4,246 | (234) |
| Food services | 322,171 | 322,171 | 336,417 | 14,246 |
| Other | 0 | 0 | 1,980 | 1,980 |
| State sources: | | | | |
| Equalization | 624,600 | 662,614 | 649,201 | (13,413) |
| Federal sources | <u>1,753,052</u> | <u>1,996,192</u> | <u>1,776,221</u> | <u>(219,971)</u> |
| Total Revenues | <u>4,225,323</u> | <u>4,985,457</u> | <u>4,888,065</u> | <u>(97,392)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Food services | <u>4,219,612</u> | <u>4,885,457</u> | <u>4,889,795</u> | <u>95,662</u> |
| Total Expenditures | <u>4,219,612</u> | <u>4,985,457</u> | <u>4,889,795</u> | <u>95,662</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 5,711 | 0 | (1,730) | (1,730) |
| FUND BALANCES - BEGINNING | <u>910,935</u> | <u>910,935</u> | <u>910,935</u> | <u>0</u> |
| FUND BALANCES - ENDING | <u>\$ 916,646</u> | <u>\$ 910,935</u> | <u>\$ 909,205</u> | <u>\$ (1,730)</u> |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Vocational Education

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2011**

Exhibit 6-11

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|---------------|--|
| REVENUES | | | | |
| Local sources: | | | | |
| Other | \$ 0 | \$ 3,111 | \$ 3,111 | \$ 0 |
| Federal sources | 63,841 | 78,635 | 78,635 | 0 |
| Total Revenues | 63,841 | 81,746 | 81,746 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 58,784 | 78,006 | 78,006 | 0 |
| Support services: | | | | |
| Business services | 5,057 | 3,740 | 3,740 | 0 |
| Total Expenditures | 63,841 | 81,746 | 81,746 | 0 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Instructional Enhancement Program

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2011**

Exhibit 6-12

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|---------------------|---------------------|---------------------|--|
| REVENUES | | | | |
| Local sources: | | | | |
| Interest earnings | \$ 9,386 | \$ 13,022 | \$ 17,177 | \$ 4,155 |
| Total Revenues | 9,386 | 13,022 | 17,177 | 4,155 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 716,134 | 1,135,741 | 1,083,037 | 52,704 |
| Total Expenditures | 716,134 | 1,135,741 | 1,083,037 | 52,704 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (706,748) | (1,122,719) | (1,065,860) | 56,859 |
| FUND BALANCES - BEGINNING | 4,164,926 | 4,164,926 | 4,164,926 | 0 |
| FUND BALANCES - ENDING | \$ 3,458,178 | \$ 3,042,207 | \$ 3,099,066 | \$ 56,859 |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Reading First

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2011**

Exhibit 6-13

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|-------------------|---|
| REVENUES | | | | |
| Federal sources | \$ 21,486 | \$ 21,487 | \$ 21,487 | \$ 0 |
| Total Revenues | 21,486 | 21,487 | 21,487 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 20,762 | 20,762 | 20,760 | 2 |
| Total Expenditures | 20,762 | 20,762 | 20,760 | 2 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 724 | 725 | 727 | 2 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (724) | (725) | (727) | (2) |
| Total Other Financing Sources (Uses) | (724) | (725) | (727) | (2) |
| Net change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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, 2011**

Exhibit 6-14

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|-------------------|---|
| REVENUES | | | | |
| Federal sources | \$ 343,897 | \$ 914,098 | \$ 914,098 | \$ 0 |
| Total Revenues | 343,897 | 914,098 | 914,098 | 0 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 316,657 | 841,692 | 841,689 | 3 |
| Total Expenditures | 316,657 | 841,692 | 841,689 | 3 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 27,240 | 72,406 | 72,409 | 3 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (27,240) | (72,406) | (72,409) | (3) |
| Total Other Financing Sources (Uses) | (27,240) | (72,406) | (72,409) | (3) |
| Net change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

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, 2011**

Exhibit 6-15

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|--------------------|-----------------|-------------------|---|
| REVENUES | | | | |
| Federal sources | \$ 16,937 | \$ 16,937 | \$ 16,935 | \$ (2) |
| Total Revenues | 16,937 | 16,937 | 16,935 | (2) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 16,045 | 16,046 | 16,045 | 1 |
| Total Expenditures | 16,045 | 16,046 | 16,045 | 1 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 892 | 891 | 890 | (1) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (892) | (891) | (890) | 1 |
| Total Other Financing Sources (Uses) | (892) | (891) | (890) | 1 |
| Net Change in Fund Balances | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | 0 | 0 | 0 | 0 |
| FUND BALANCES - ENDING | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

DESOTO PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND

Education Jobs Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2011**

Exhibit 6-16

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|----------------------------|-------------------------|----------------|---|
| REVENUES | | | | |
| Federal sources | \$ 413,309 | \$ 900,629 | \$ 838,141 | \$ (62,488) |
| Total Revenues | <u>413,309</u> | <u>900,629</u> | <u>838,141</u> | <u>(62,488)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special programs | 413,309 | 900,629 | 838,141 | 62,488 |
| Total Expenditures | <u>413,309</u> | <u>900,629</u> | <u>838,141</u> | <u>62,488</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 0 | 0 | 0 | 0 |
| FUND BALANCES - BEGINNING | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES - ENDING | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

DeSoto Parish School Board



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

SCHOOL DISTRICTS NO. 2 (1998 ISSUE), NO. 2 (2005 ISSUE), NO. 2 (2004 AND 2005 ISSUE), NO. 2 (2010 ISSUE), NO. 3 (1998 ISSUE), NO. 3 (1994 ISSUE), AND NO. 4(2007 & 2007 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, 2011

| | NO. 2 1998 ISSUE | NO. 2 2005 ISSUE | NO. 2 2004 & 2005 ISSUE | NO. 2 2010 ISSUE |
|--|---------------------------------|---------------------------------|--|---------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 0 | \$ 438,850 | \$ 549,315 | \$ 326,288 |
| Investments | 656,100 | 753,800 | 0 | 0 |
| Receivables | 56 | 4,809 | 54 | 54 |
| TOTAL ASSETS | 656,156 | 1,197,459 | 549,369 | 326,342 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Interfund payables | 13,538 | 0 | 0 | 0 |
| Total Liabilities | 13,538 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Restricted | 236,266 | 135,459 | 549,369 | 0 |
| Committed | 408,354 | 1,062,000 | 0 | 326,342 |
| Total Fund Balances | 642,620 | 1,197,459 | 549,369 | 326,342 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 656,156 | \$ 1,197,459 | \$ 549,369 | \$ 326,342 |

Exhibit 7

| NO. 3 1998 ISSUE | NO. 3 1994 ISSUE | NO. 4 2007 & 2008 ISSUE | TOTAL |
|------------------------|------------------------|-------------------------------|--------------|
| \$ 0 | \$ 25,789 | \$ 1,017,044 | \$ 2,357,286 |
| 0 | 0 | 0 | 1,409,900 |
| 0 | 1 | 157 | 5,131 |
| 0 | 25,790 | 1,017,201 | 3,772,317 |
| 0 | 0 | 0 | 13,536 |
| 0 | 0 | 0 | 13,536 |
| 0 | 25,790 | 1,017,201 | 1,964,085 |
| 0 | 0 | 0 | 1,794,696 |
| 0 | 25,790 | 1,017,201 | 3,758,781 |
| \$ 0 | \$ 25,790 | \$ 1,017,201 | \$ 3,772,317 |

DESOTO PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011

| | NO. 2 1998 ISSUE | NO. 2 2005 ISSUE | NO. 2 2004 & 2005 ISSUE | NO. 2 2010 ISSUE |
|--|---------------------------------|---------------------------------|--|---------------------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 307,915 | \$ 175,964 | \$ 1,055,814 | \$ 0 |
| Sales and use | 406,354 | 1,062,000 | 0 | 542,879 |
| Interest earnings | 331 | 7,155 | 792 | 881 |
| State sources - other | 4,754 | 0 | 0 | 0 |
| Total Revenues | 719,354 | 1,245,119 | 1,056,606 | 543,760 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services: | | | | |
| General administration | 16,551 | 13,269 | 50,345 | 2,494 |
| Debt Service: | | | | |
| Principal retirement | 300,000 | 150,000 | 515,000 | 270,000 |
| Interest and bank charges | 26,465 | 51,368 | 469,145 | 273,128 |
| Total Expenditures | 343,016 | 214,637 | 1,034,490 | 545,622 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 376,338 | 1,030,482 | 22,116 | (1,862) |
| FUND BALANCES - BEGINNING | 266,282 | 166,977 | 527,253 | 328,204 |
| FUND BALANCES - ENDING | \$ 642,620 | \$ 1,197,459 | \$ 549,369 | \$ 326,342 |

Exhibit 8

| NO. 3 1998 ISSUE | NO. 3 1994 ISSUE | NO. 4 2007 & 2008 ISSUE | TOTAL |
|------------------------|------------------------|-------------------------------|---------------------|
| \$ 0 | \$ 27,146 | \$ 1,668,110 | \$ 3,234,949 |
| 10,270 | 0 | 0 | 2,021,503 |
| 2 | 36 | 1,138 | 10,335 |
| 0 | 0 | 0 | 4,754 |
| <u>10,272</u> | <u>27,182</u> | <u>1,669,248</u> | <u>5,271,541</u> |
| 47 | 1,244 | 75,796 | 159,746 |
| 23,000 | 20,000 | 465,000 | 1,743,000 |
| 518 | 5,625 | 819,825 | 1,646,074 |
| <u>23,565</u> | <u>26,869</u> | <u>1,360,621</u> | <u>3,548,820</u> |
| (13,293) | 313 | 308,627 | 1,722,721 |
| <u>13,293</u> | <u>25,477</u> | <u>708,574</u> | <u>2,036,060</u> |
| <u>\$ 0</u> | <u>\$ 25,790</u> | <u>\$ 1,017,201</u> | <u>\$ 3,758,781</u> |

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

SCHOOL DISTRICTS NO. 1, NO. 3, 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, 2011**

Exhibit 9

| | SCHOOL DISTRICT NO. 1 | SCHOOL DISTRICT NO. 3 | SCHOOL DISTRICT NO. 5 | TOTAL |
|--|--------------------------------------|--------------------------------------|--------------------------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 3,076,367 | \$ 1,004,293 | \$ 698,939 | \$ 4,777,599 |
| Receivables | 298,836 | 42 | 22 | 298,900 |
| TOTAL ASSETS | 3,375,203 | 1,004,335 | 696,961 | 5,076,499 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | 858,470 | 131,590 | 2,866 | 992,926 |
| Interfund payables | 0 | 253,353 | 0 | 253,353 |
| Total Liabilities | 858,470 | 384,943 | 2,866 | 1,246,279 |
| Fund Balances: | | | | |
| Committed | 2,516,733 | 619,392 | 694,095 | 3,830,220 |
| TOTAL FUND BALANCES | 2,516,733 | 619,392 | 694,095 | 3,830,220 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 3,375,203 | \$ 1,004,335 | \$ 696,961 | \$ 5,076,499 |

DESOTO PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes In Fund Balances
 For the Year Ended June 30, 2011

Exhibit 10

| | SCHOOL DISTRICT NO. 1 | SCHOOL DISTRICT NO. 3 | SCHOOL DISTRICT NO. 5 | TOTAL |
|--|-----------------------------|-----------------------------|-----------------------------|---------------------|
| REVENUES | | | | |
| <i>Local sources:</i> | | | | |
| Taxes: | | | | |
| Sales and use | \$ 2,460,960 | \$ 411,530 | \$ 228,000 | \$ 3,100,490 |
| Interest earnings | 10,656 | 4,685 | 2,533 | 17,874 |
| Total Revenues | 2,471,616 | 416,215 | 230,533 | 3,118,364 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support services: | | | | |
| General administration | 11,305 | 1,890 | 1,048 | 14,243 |
| Capital outlay | 2,544,969 | 1,079,445 | 103,492 | 3,727,906 |
| Total Expenditures | 2,556,274 | 1,081,335 | 104,540 | 3,742,149 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (84,658) | (665,120) | 125,993 | (623,785) |
| FUND BALANCES - BEGINNING | 2,601,391 | 1,284,512 | 568,102 | 4,454,005 |
| FUND BALANCES - ENDING | \$ 2,516,733 | \$ 619,392 | \$ 694,095 | \$ 3,830,220 |

**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.

DESOTO PARISH SCHOOL BOARD

**PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Net Assets
June 30, 2011**

Exhibit 11

| | GROUP DENTAL INSURANCE | GROUP HEALTH INSURANCE | TOTAL |
|--------------------------------------|---------------------------------------|---------------------------------------|------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 236,352 | \$ 4,051,918 | \$ 4,288,270 |
| Investments | 0 | 911,985 | 911,985 |
| Receivables | 0 | 52,473 | 52,473 |
| Prepaid items | 0 | 790,068 | 790,068 |
| TOTAL CURRENT ASSETS | 236,352 | 5,806,444 | 6,042,796 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 0 | 9,527 | 9,527 |
| Claims payable | 0 | 150,000 | 150,000 |
| TOTAL CURRENT LIABILITIES | 0 | 159,527 | 159,527 |
| Medical claims payable | 0 | 1,885,821 | 1,885,821 |
| Dental claims payable | 94,479 | 0 | 94,479 |
| TOTAL NON CURRENT LIABILITIES | 94,479 | 1,885,821 | 1,980,300 |
| TOTAL LIABILITIES | 94,479 | 2,045,348 | 2,139,827 |
| NET ASSETS | | | |
| Unrestricted | \$ 141,873 | \$ 3,761,096 | \$ 3,902,969 |

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
 Combining Statement of Revenue, Expenses,
 And Changes in Fund Net Assets
 For the Year Ended June 30, 2011

Exhibit 12

| | GROUP DENTAL INSURANCE | GROUP HEALTH INSURANCE | TOTAL |
|---------------------------------|------------------------------|------------------------------|---------------------|
| OPERATING REVENUE | | | |
| Medical premiums | \$ 0 | \$ 11,349,708 | \$ 11,349,708 |
| Dental premiums | 472,979 | 0 | 472,979 |
| Medicare subsidy | 0 | 72,766 | 72,766 |
| Total operating revenues | 472,979 | 11,422,474 | 11,895,453 |
| OPERATING EXPENSES | | | |
| Claims | 389,777 | 7,997,878 | 8,387,655 |
| Administration | 24,739 | 563,263 | 588,002 |
| Insurance | 33,097 | 4,472,943 | 4,506,040 |
| Total operating expenses | 447,613 | 13,034,084 | 13,481,697 |
| Operating income (loss) | 25,366 | (1,611,610) | (1,586,244) |
| NONOPERATING REVENUES | | | |
| Earnings on investments | 423 | 24,480 | 24,903 |
| Change in Net Assets | 25,789 | (1,587,130) | (1,561,341) |
| NET ASSETS - BEGINNING | 116,084 | 5,348,226 | 5,464,310 |
| NET ASSETS - ENDING | \$ 141,873 | \$ 3,761,096 | \$ 3,902,969 |

DESOTO PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2011

Exhibit 13

| | GROUP DENTAL INSURANCE | GROUP HEALTH INSURANCE | TOTAL |
|--|------------------------------|------------------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Medical and dental premiums received | \$ 472,979 | \$ 11,380,372 | \$ 11,853,351 |
| Administrative fees paid | (24,739) | (553,966) | (578,705) |
| Premiums paid | (33,097) | (4,469,601) | (4,502,698) |
| Claims paid | (377,917) | (8,064,096) | (8,442,013) |
| Net cash provided (used) by operating activities | 37,226 | (1,707,291) | (1,670,065) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Earnings on investments | 423 | 24,480 | 24,903 |
| Sale of investments | 0 | 2,569,026 | 2,569,026 |
| Net cash provided (used) for investing activities | 423 | 2,593,506 | 2,593,929 |
| Net increase (decrease) in cash and cash equivalents | 37,649 | 886,215 | 923,864 |
| CASH AND CASH EQUIVALENTS - BEGINNING | 198,703 | 3,165,703 | 3,364,406 |
| CASH AND CASH EQUIVALENTS - ENDING | 236,352 | 4,051,918 | 4,288,270 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | 25,366 | (1,611,610) | (1,586,244) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| (Increase) decrease in receivables | 0 | (42,102) | (42,102) |
| (Increase) decrease in prepaid items | | 3,342 | 3,342 |
| Increase (decrease) in claims payable | 11,860 | (56,921) | (45,061) |
| Net cash provided (used) for operating activities | \$ 37,226 | \$ (1,707,291) | \$ (1,670,065) |

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

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

DESOTO PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011

Exhibit 14

| | <u>Balance</u> <u>July 1, 2010</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2011</u> |
|---------------------------|---------------------------------------|---------------------|---------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 459,629 | \$ 1,521,386 | \$ 1,515,556 | \$ 465,459 |
| Total assets | <u>459,629</u> | <u>1,521,386</u> | <u>1,515,556</u> | <u>465,459</u> |
| LIABILITIES | | | | |
| Deposits due others | <u>459,629</u> | <u>1,521,386</u> | <u>1,515,556</u> | <u>465,459</u> |
| Total liabilities | <u>\$ 459,629</u> | <u>\$ 1,521,386</u> | <u>\$ 1,515,556</u> | <u>\$ 465,459</u> |

DESOTO PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
 Statement of Changes in Deposits Due Others
 For the Year Ended June 30, 2011

Exhibit 15

| <u>SCHOOL</u> | <u>Balance, Beginning</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance, Ending</u> |
|---------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| Logansport Elementary | \$ 40,472 | \$ 53,396 | \$ 39,699 | \$ 54,169 |
| Logansport High | 46,673 | 211,096 | 183,119 | 74,850 |
| Mansfield Elementary Middle 3-5 | 51,913 | 46,343 | 61,757 | 36,499 |
| Mansfield Elementary Middle 6-8 | 18,074 | 54,054 | 56,125 | 16,003 |
| Mansfield High | 46,097 | 239,782 | 255,111 | 30,768 |
| North DeSoto Elementary PK-2 | 13,351 | 54,385 | 44,091 | 23,645 |
| North DeSoto Elementary 3-5 | 8,545 | 39,885 | 44,406 | 4,024 |
| North DeSoto Middle | 56,967 | 124,172 | 111,133 | 70,006 |
| North DeSoto High | 108,543 | 436,025 | 451,945 | 92,623 |
| Pelican High | 9,415 | 55,863 | 51,152 | 14,126 |
| Stanley High | 54,820 | 193,782 | 202,776 | 45,826 |
| DeSoto Parish Alternative | 4,759 | 4,792 | 7,903 | 1,648 |
| DeSoto Parish Career Academy | <u>0</u> | <u>7,811</u> | <u>6,339</u> | <u>1,472</u> |
| Total | <u>\$ 459,629</u> | <u>\$ 1,521,386</u> | <u>\$ 1,515,556</u> | <u>\$ 465,459</u> |

**DeSoto Parish School Board
Mansfield, Louisiana**

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

DESOTO PARISH SCHOOL BOARD

COMPARATIVE SCHEDULE OF CAPITAL ASSETS
BY SOURCES
June 30, 2011

Exhibit 16

| | <u>2011</u> | <u>2010</u> |
|--|---------------------------|---------------------------|
| CAPITAL ASSETS: | | |
| Land | \$ 2,174,465 | \$ 1,745,645 |
| Land improvements | 5,794,356 | 5,150,486 |
| Buildings and improvements | 67,254,515 | 63,555,051 |
| Furniture and equipment | 2,052,978 | 2,084,581 |
| Vehicles | 7,864,727 | 6,865,070 |
| Construction in progress | <u>38,914,722</u> | <u>26,634,667</u> |
| TOTAL CAPITAL ASSETS | <u>124,055,763</u> | <u>106,035,500</u> |
| INVESTMENT IN CAPITAL ASSETS: | | |
| Capital Projects Funds | 117,776,590 | 99,457,142 |
| General Fund | 5,328,639 | 5,409,624 |
| School Lunch Fund | 411,707 | 394,985 |
| Federal Aid | 301,880 | 337,520 |
| Gifts and donations | <u>236,947</u> | <u>436,229</u> |
| TOTAL INVESTMENT IN CAPITAL ASSETS | <u>\$ 124,055,763</u> | <u>\$ 106,035,500</u> |

DESOTO PARISH SCHOOL BOARD

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY

June 30, 2011

Exhibit 17

| <u>FUNCTION AND ACTIVITY</u> | <u>Total</u> | <u>Land and land improvements</u> | <u>Buildings and improvements</u> | <u>Furniture and equipment</u> | <u>Vehicles</u> | <u>Construction in progress</u> |
|---|-----------------------|---|---|--|--------------------|---|
| <u>Instructional services:</u> | | | | | | |
| Regular and special programs | | | | | | |
| High schools | \$ 68,723,584 | \$ 4,172,692 | \$ 29,188,209 | \$ 898,018 | \$ 624,367 | \$ 33,840,298 |
| Middle schools | 12,958,520 | 878,294 | 11,786,189 | 244,909 | 0 | 249,128 |
| Elementary schools | 29,449,491 | 2,201,351 | 24,881,380 | 452,854 | 0 | 1,933,906 |
| Adult/Continued education | 157,086 | 2,362 | 146,300 | 8,424 | 0 | 0 |
| Total Instructional services | 111,288,681 | 7,054,699 | 65,982,078 | 1,604,205 | 624,367 | 36,023,332 |
| <u>Supporting services</u> | | | | | | |
| General and school administration | 1,541,855 | 786,900 | 398,191 | 223,739 | 133,025 | 0 |
| Plant services | 3,769,411 | 127,222 | 284,500 | 225,034 | 241,265 | 2,891,390 |
| Student transportation services | 7,332,316 | 0 | 466,246 | 0 | 6,866,070 | 0 |
| Noninstructional services - food service operations | 123,500 | 0 | 123,500 | 0 | 0 | 0 |
| Total capital assets allocated to functions | \$ 124,055,763 | \$ 7,968,821 | \$ 67,254,515 | \$2,052,978 | \$7,864,727 | \$ 38,914,722 |

DESOTO PARISH SCHOOL BOARD

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2011**

Exhibit 18

| <u>FUNCTION AND ACTIVITY</u> | <u>BALANCE, BEGINNING</u> | <u>ADDITIONS</u> | <u>RETIREMENTS</u> | <u>BALANCE, ENDING</u> |
|---|-------------------------------|----------------------|---------------------|----------------------------|
| <u>Instructional services:</u> | | | | |
| Regular and special programs: | | | | |
| High schools | \$ 55,754,018 | \$ 15,356,884 | \$ 2,387,318 | \$ 68,723,584 |
| Middle schools | 12,367,971 | 616,897 | 16,348 | 12,958,520 |
| Elementary schools | 26,698,740 | 2,767,567 | 16,816 | 29,449,491 |
| Adult/Continued education | 157,086 | 0 | 0 | 157,086 |
| Total Instructional services | 94,967,815 | 18,741,348 | 2,420,482 | 111,288,681 |
| <u>Supporting services</u> | | | | |
| General and school administration | 1,227,708 | 475,902 | 161,755 | 1,541,855 |
| Plant services | 3,783,265 | 97,210 | 111,064 | 3,769,411 |
| Student transportation services | 5,933,212 | 1,399,104 | 0 | 7,332,316 |
| Noninstructional services - food service operations | 123,500 | 0 | 0 | 123,500 |
| Total capital assets | \$ 106,035,500 | \$ 20,713,564 | \$ 2,693,301 | \$ 124,055,763 |

**DeSoto Parish School Board
Mansfield, Louisiana**

General

Exhibit 19

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2011**

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 \$600 per month. The president receives an additional \$100 per month for performing the duties of the president, while the three members of the budget/finance committee (Executive Committee) receive an additional \$50 per month.

| | |
|------------------------------------|-----------------|
| Mr. Douglas "Barthlomew" Claiborne | \$ 8,400 |
| Mr. Thomas "Tommy" Craig, Jr. | 8,400 |
| Mr. John Neilson | 4,200 |
| Mr. Steavy Clark | 4,800 |
| Mr. Donald "Donny" Dufour | 9,000 |
| Mrs. Shirley Payne | 3,600 |
| Mr. McLawrence Fuller | 8,400 |
| Mr. Dudley Glenn | 8,700 |
| Mr. Johnny Haynes | 8,400 |
| Dr. Robert "Neil" Henderson | 8,400 |
| Mr. Coday Johnston | 4,800 |
| Mr. L.J. Mayweather, Jr. | 9,000 |
| Mr. Larry "Mark" Ross | <u>9,300</u> |
| Total | <u>\$95,400</u> |

50-4000-90-4940

**DeSoto Parish School Board
Statistical Section
Contents**

Financial Trends

These schedules contain trend information to help the reader understand how the School Board's financial performance and well being has changed over time.

| | | |
|--|---|-----|
| Net Assets by Component | 1 | 153 |
| Changes in Net Assets | 2 | 154 |
| Fund Balances of Governmental Funds | 3 | 155 |
| Changes in Fund Balances of Governmental Funds | 4 | 156 |

Revenue Capacity

These schedules contain information to help the reader assess the School Board's most significant local revenue sources, property tax and sales tax.

| | | |
|--|---|-----|
| Assessed Value and Estimated Actual Value of Taxable Property Overlapping Governments | 5 | 157 |
| Principal Property Taxpayers | 6 | 158 |
| Property Tax Levies and Collections | 7 | 159 |
| Sales and Use Tax Rates and Collections - All Governments | 8 | 160 |
| | 9 | 161 |

Debt Capacity

These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue debt in the future.

| | | |
|---|----|-----|
| Ratios of Outstanding Debt by Type | 10 | 162 |
| Ratios of General Bonded Debt Outstanding | 11 | 163 |
| Direct and Overlapping Governmental Activities Debt | 12 | 164 |
| Legal Debt Margin Information | 13 | 165 |

(continued)

**DeSoto Parish School Board
Statistical Section
Contents**

| | Table Number | Page Number |
|--|-------------------------|------------------------|
|--|-------------------------|------------------------|

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.

| | | |
|-------------------------------------|----|-----|
| Demographic and Economic Statistics | 14 | 166 |
| Principal Employers | 15 | 167 |

Operating Information

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

| | | |
|-----------------------------|----|-----|
| School Building Information | 16 | 168 |
| School Personnel | 17 | 169 |
| Operating Statistics | 18 | 170 |

Other Information

| | | |
|--------------------------------|----|-----|
| Schedule of Insurance in Force | 19 | 171 |
|--------------------------------|----|-----|

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

(concluded)

Table 1

DESO TO PARISH SCHOOL BOARD
Mansfield, Louisiana

Net Assets by Component
Fiscal Years Ended June 30, 2002 through June 30, 2011
(Accrual Basis of Accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Governmental Activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 12,510,810 | \$ 16,855,217 | \$ 18,219,109 | \$ 20,015,615 | \$ 22,567,461 | \$ 24,897,360 | \$ 11,438,322 | \$ 38,260,982 | \$ 42,351,067 | \$ 52,187,331 |
| Restricted | 1,405,847 | 1,303,313 | 2,418,302 | 2,891,266 | 4,298,179 | 6,753,530 | 26,930,085 | 12,818,082 | 36,377,690 | 5,361,510 |
| Unrestricted | 7,086,427 | 8,422,525 | 6,761,655 | 7,337,487 | 7,008,312 | 8,162,244 | 12,842,256 | 13,764,220 | 20,033,312 | 74,570,720 |
| Total governmental activities net assets | \$ 24,103,084 | \$ 26,581,075 | \$ 27,399,066 | \$ 30,244,368 | \$ 33,873,952 | \$ 39,813,134 | \$ 51,210,663 | \$ 64,843,284 | \$ 98,962,069 | \$ 132,119,561 |

Notes: GASB Statement No. 34 was implemented for the year ended June 30, 2001.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Changes in Net Assets
Fiscal Years Ended June 30, 2002 through June 30, 2011
(A Cernal Basis of Accounting)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular programs | \$ 14,383,330 | \$ 14,046,017 | \$ 15,152,359 | \$ 15,238,864 | \$ 15,425,304 | \$ 17,553,777 | \$ 17,264,404 | \$ 21,967,595 | \$ 25,478,383 | \$ 31,478,048 |
| Special programs | 8,472,250 | 9,814,467 | 10,240,351 | 12,626,214 | 12,588,964 | 13,302,543 | 14,799,391 | 17,686,433 | 19,443,872 | 23,113,551 |
| Adult/continuing education | 195,978 | 261,945 | 107,739 | 115,452 | 105,807 | 133,419 | 150,217 | 132,281 | 149,490 | 8,770 |
| Support services: | | | | | | | | | | |
| Pupil support services | 1,184,265 | 1,237,968 | 1,208,202 | 1,228,128 | 1,451,426 | 1,644,126 | 1,605,941 | 2,450,846 | 3,196,266 | 4,099,771 |
| Instructional staff support | 2,523,993 | 3,041,098 | 2,920,386 | 2,841,233 | 2,762,940 | 2,992,461 | 2,852,134 | 3,552,709 | 4,388,127 | 5,058,454 |
| General administration | 1,088,545 | 1,140,493 | 1,588,270 | 1,549,555 | 1,546,415 | 1,705,463 | 1,441,594 | 1,810,948 | 2,082,881 | 2,308,525 |
| School administration | 2,151,169 | 2,337,729 | 2,344,862 | 2,557,467 | 2,662,902 | 3,034,275 | 2,973,792 | 4,093,880 | 4,307,502 | 5,388,163 |
| Business services | 506,698 | 260,954 | 569,196 | 671,023 | 704,628 | 824,294 | 810,112 | 1,054,106 | 1,206,676 | 1,613,261 |
| Plant services | 4,776,157 | 4,980,762 | 3,926,626 | 3,984,059 | 4,379,507 | 4,630,717 | 4,673,123 | 6,497,050 | 9,749,430 | 9,308,603 |
| Student transportation services | 2,729,577 | 3,158,800 | 2,841,218 | 3,019,097 | 3,303,256 | 3,786,831 | 3,530,902 | 5,116,331 | 5,454,720 | 6,429,010 |
| Central services | 139,805 | 146,249 | 156,055 | 168,715 | 161,798 | 189,642 | 215,858 | 250,518 | 290,632 | 351,811 |
| Food services | 2,548,621 | 2,588,022 | 2,712,905 | 2,995,400 | 2,970,622 | 3,152,776 | 3,712,780 | 3,980,066 | 4,022,065 | 4,892,492 |
| Community services | 0 | 0 | 0 | 0 | 45,336 | 0 | 0 | 0 | 0 | 0 |
| Interest on long-term debt | 1,067,117 | 998,853 | 598,643 | 803,126 | 948,763 | 869,372 | 1,349,988 | 1,510,974 | 1,457,915 | 1,642,961 |
| Total expenses | 41,767,505 | 44,011,357 | 44,366,812 | 47,798,333 | 49,057,668 | 53,819,696 | 55,380,236 | 70,103,737 | 81,227,959 | 95,693,440 |
| Program Revenues | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Special Programs | 35,492 | 44,469 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Service Operations | 236,275 | 242,692 | 285,847 | 308,800 | 333,823 | 345,165 | 365,161 | 361,729 | 348,525 | 336,417 |
| Operating Grants and Contributions | 5,688,567 | 7,773,715 | 7,788,406 | 9,733,113 | 9,380,506 | 8,864,685 | 9,864,073 | 10,181,671 | 10,582,869 | 9,282,812 |
| Capital Grants and Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,578 | 0 |
| Total program revenues | 5,960,334 | 8,060,876 | 8,074,253 | 10,041,913 | 9,714,329 | 9,209,850 | 10,229,234 | 10,543,400 | 10,941,972 | 9,619,229 |
| Net (Expense) / Revenue | (35,807,171) | (35,950,481) | (36,292,559) | (37,756,420) | (39,343,339) | (44,609,846) | (45,151,002) | (59,560,337) | (70,285,987) | (86,074,211) |
| Taxes | | | | | | | | | | |
| Ad valorem taxes levied for general purposes | 8,011,628 | 8,265,507 | 8,034,583 | 8,427,720 | 8,890,004 | 9,553,227 | 11,746,663 | 14,409,769 | 17,621,599 | 18,407,215 |
| Ad valorem taxes levied for debt service purposes | 1,784,924 | 1,939,027 | 1,858,337 | 2,818,816 | 3,133,086 | 3,305,724 | 4,371,078 | 3,167,309 | 3,197,010 | 3,234,949 |
| Sales taxes levied for capital improvements | 1,279,476 | 1,531,925 | 1,612,100 | 833,299 | 1,311,346 | 2,184,262 | 2,282,071 | 4,986,371 | 19,565,500 | 29,433,938 |
| Sales taxes levied for salaries, benefits and general purposes | 5,117,905 | 6,127,703 | 6,456,774 | 7,463,902 | 8,500,387 | 11,492,048 | 11,683,285 | 22,994,901 | 34,532,412 | 43,652,840 |
| Grants and contributions not restricted to specific programs | 18,332,206 | 19,835,099 | 19,070,398 | 19,950,107 | 21,154,677 | 22,335,975 | 24,354,604 | 26,029,606 | 22,434,720 | 21,106,462 |
| Interest and investment earnings | 342,424 | 210,284 | 153,895 | 503,548 | 1,128,030 | 1,188,346 | 1,348,832 | 778,620 | 360,648 | 412,402 |
| Miscellaneous | 365,135 | 518,926 | 315,262 | 604,330 | (1,144,609) | 489,446 | 761,998 | 826,382 | 6,692,883 | 2,983,897 |
| Total | 35,433,698 | 38,428,472 | 37,501,349 | 40,601,722 | 42,972,921 | 50,549,028 | 56,548,531 | 73,192,958 | 104,404,772 | 119,231,703 |
| Change in Net Assets | \$(373,473) | \$ 2,477,991 | \$ 1,208,790 | \$ 2,845,302 | \$ 3,629,582 | \$ 5,939,182 | \$ 11,997,529 | \$ 13,632,621 | \$ 34,118,785 | \$ 33,157,492 |

Notes: GASB Statement No. 34 was implemented for the year ended June 30, 2001.

Table 3

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 7,328,748 | \$ 7,344,026 | \$ 6,062,882 | \$ 6,088,080 | \$ 5,893,616 | \$ 5,899,760 | \$ 7,521,542 | \$ 8,951,441 | \$ 11,705,134 | \$ 0 |
| Unreserved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nonspendable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,359,185 |
| Assigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,795,733 |
| Total general fund | <u>\$ 7,328,748</u> | <u>\$ 7,344,026</u> | <u>\$ 6,062,882</u> | <u>\$ 6,088,080</u> | <u>\$ 5,893,616</u> | <u>\$ 5,899,760</u> | <u>\$ 7,521,542</u> | <u>\$ 8,951,441</u> | <u>\$ 11,705,134</u> | <u>\$ 14,154,918</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 1,405,847 | 1,303,333 | 1,262,632 | 1,866,994 | 2,124,728 | 2,355,751 | 2,897,072 | 1,497,646 | 2,064,802 | 0 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 1,012,433 | 1,153,876 | 1,062,945 | 1,365,951 | 2,046,322 | 2,750,726 | 1,996,273 | 4,204,092 | 6,653,495 | 0 |
| Capital projects funds | 1,052,965 | 1,475,935 | 1,337,522 | 13,130,941 | 10,761,121 | 4,673,513 | 24,620,216 | 18,327,102 | 29,786,056 | 0 |
| Nonspendable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29,202 |
| Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,332,308 |
| Committed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44,540,001 |
| Assigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total all other governmental funds | <u>\$ 3,471,265</u> | <u>\$ 3,933,144</u> | <u>\$ 3,663,099</u> | <u>\$ 16,363,886</u> | <u>\$ 14,932,171</u> | <u>\$ 9,779,990</u> | <u>\$ 29,513,561</u> | <u>\$ 24,228,840</u> | <u>\$ 38,504,353</u> | <u>\$ 49,901,511</u> |

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

Table 4

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|--------------|---------------|----------------|---------------|----------------|----------------|---------------|----------------|---------------|---------------|
| Revenues | | | | | | | | | | |
| Ad valorem taxes | \$ 9,796,552 | \$ 10,204,534 | \$ 9,892,920 | \$ 11,246,536 | \$ 12,023,090 | \$ 12,838,951 | \$ 16,117,741 | \$ 17,577,078 | \$ 20,818,609 | \$ 21,642,164 |
| Sales & use taxes | 6,397,381 | 7,659,629 | 8,068,874 | 8,297,201 | 9,811,733 | 13,676,310 | 13,963,356 | 27,981,272 | 54,097,912 | 73,086,778 |
| Investment Earning | 342,424 | 205,204 | 143,031 | 434,522 | 1,024,184 | 993,455 | 1,176,257 | 644,781 | 318,142 | 397,192 |
| Other Revenues | 627,645 | 506,170 | 729,949 | 973,706 | 1,133,677 | 834,980 | 1,127,159 | 1,257,591 | 7,058,802 | 3,900,532 |
| Total revenues from local sources | 17,164,002 | 18,573,537 | 18,833,874 | 20,951,995 | 23,992,684 | 28,363,696 | 32,386,513 | 47,460,722 | 82,293,465 | 98,626,666 |
| Revenue from state sources: | | | | | | | | | | |
| Equalization | 18,218,123 | 19,520,789 | 18,765,973 | 19,646,115 | 20,793,596 | 22,028,299 | 24,031,093 | 25,221,571 | 22,094,768 | 19,963,412 |
| Other | 1,231,024 | 1,332,459 | 1,272,798 | 1,731,134 | 2,223,850 | 1,930,126 | 3,195,205 | 3,747,183 | 2,075,354 | 1,137,543 |
| Total revenue from state sources | 19,449,147 | 20,853,168 | 20,038,771 | 21,377,249 | 23,017,446 | 23,958,425 | 27,226,298 | 28,968,754 | 24,170,122 | 21,102,955 |
| Revenue from federal sources | 4,780,883 | 6,979,898 | 6,820,033 | 8,305,971 | 7,517,737 | 7,242,235 | 6,992,379 | 7,247,523 | 8,858,045 | 9,286,319 |
| Judgments | 0 | 75,665 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | 41,394,032 | 46,484,268 | 45,692,678 | 50,635,215 | 54,327,867 | 59,564,356 | 66,605,190 | 83,671,999 | 115,321,632 | 129,015,940 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction services | 22,311,843 | 24,312,281 | 24,738,911 | 26,811,616 | 26,921,281 | 29,504,417 | 32,839,633 | 38,830,042 | 50,891,084 | 53,297,703 |
| Pupil support services | 1,181,946 | 1,252,060 | 1,230,744 | 1,229,815 | 1,418,410 | 1,611,725 | 1,906,963 | 2,476,298 | 3,532,844 | 3,931,865 |
| Instructional staff support | 2,533,944 | 3,083,207 | 2,599,256 | 2,821,547 | 2,698,330 | 2,942,931 | 3,024,053 | 3,687,172 | 5,265,600 | 5,199,099 |
| General administration | 1,069,260 | 1,135,204 | 1,038,630 | 1,541,470 | 1,459,887 | 1,680,587 | 1,510,262 | 1,827,664 | 2,325,879 | 2,329,659 |
| School administration | 2,096,146 | 2,331,390 | 2,306,505 | 2,474,148 | 2,616,251 | 2,927,541 | 3,369,398 | 4,036,247 | 5,015,975 | 5,530,332 |
| Business services | 480,655 | 581,762 | 575,160 | 656,261 | 688,456 | 795,379 | 881,124 | 1,057,991 | 1,431,658 | 1,592,058 |
| Plant services | 3,354,931 | 3,590,400 | 3,929,564 | 3,951,660 | 4,359,839 | 4,567,788 | 5,057,181 | 6,555,621 | 10,504,160 | 8,301,223 |
| Student transportation services | 2,981,483 | 3,130,906 | 2,775,058 | 2,802,916 | 3,046,073 | 3,429,902 | 3,891,662 | 5,002,913 | 6,734,565 | 6,737,076 |
| Food service | 2,535,867 | 2,587,750 | 2,631,543 | 2,889,290 | 2,841,729 | 3,006,551 | 3,703,963 | 3,937,929 | 4,268,497 | 4,889,795 |
| Central services | 131,888 | 139,762 | 156,139 | 181,576 | 157,882 | 180,804 | 208,540 | 246,863 | 335,505 | 347,032 |
| Community services | 0 | 0 | 0 | 0 | 45,336 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 491,255 | 372,013 | 1,239,588 | 1,370,616 | 5,358,251 | 9,712,131 | 3,591,227 | 14,768,806 | 14,189,973 | 19,624,082 |
| Debt service: | | | | | | | | | | |
| Interest | 1,097,875 | 935,208 | 656,225 | 647,726 | 987,059 | 892,437 | 1,030,831 | 1,613,275 | 1,442,518 | 1,646,074 |
| Principal | 1,935,000 | 2,090,000 | 2,211,000 | 2,327,000 | 2,478,000 | 2,668,000 | 3,235,000 | 3,466,000 | 1,407,000 | 1,745,000 |
| Total Expenditures | 42,222,093 | 45,539,943 | 46,468,323 | 49,705,641 | 55,076,984 | 63,920,393 | 64,249,837 | 87,526,821 | 107,345,208 | 115,168,998 |
| Excess of revenues over (under) expenditures | (828,061) | 944,325 | (775,645) | 929,574 | (549,117) | (4,356,037) | 2,355,353 | (3,854,822) | 7,976,424 | 13,846,942 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from borrowing | 0 | 0 | 0 | 12,000,000 | 0 | 0 | 19,000,000 | 0 | 9,052,782 | 0 |
| Proceeds from refunding | 0 | 3,665,000 | 4,205,000 | 0 | 1,650,000 | 0 | 0 | 0 | 0 | 0 |
| Payments to escrow agent | 0 | (3,665,000) | (4,245,784) | 0 | (1,650,000) | 0 | 0 | 0 | 0 | 0 |
| Transfers in | 147,008 | 408,229 | 285,860 | 1,138,315 | 1,698,232 | 1,567,777 | 1,532,500 | 6,308,139 | 3,109,966 | 438,080 |
| Transfers out | (147,008) | (875,397) | (1,020,617) | (1,341,905) | (2,775,296) | (2,357,777) | (1,552,500) | (6,308,139) | (3,109,966) | (438,080) |
| Total other financing sources (uses) | 0 | (467,168) | (775,541) | 11,796,410 | (1,077,064) | (790,000) | 19,000,000 | 0 | 9,052,782 | 0 |
| Net change in fund balances | \$ (828,061) | \$ 477,157 | \$ (1,531,186) | \$ 12,725,984 | \$ (1,026,181) | \$ (5,146,037) | \$ 21,355,333 | \$ (3,854,822) | \$ 17,029,206 | \$ 13,846,942 |
| Debt service as a percentage of noncapital expenditures | | 7.3% | 6.7% | 6.2% | 7.0% | 6.6% | 7.0% | 7.0% | 3.1% | 3.5% |

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

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

| Fiscal Year Ended June 30 | Real Property | | Personal Property | Less: Homestead Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---------------------------|----------------------|---------------------|-------------------|---------------------------------|------------------------------|-----------------------|--------------------------------|--|
| | Residential Property | Commercial Property | | | | | | |
| 2002 | \$ 34,560,017 | \$ 110,837,527 | \$ 51,942,211 | \$ 29,339,407 | \$ 168,000,348 | 47.56 | \$ 1,440,436,168 | 13.70% |
| 2003 | 35,153,595 | 112,741,190 | 52,834,332 | 30,817,819 | 169,911,298 | 47.56 | 1,450,240,000 | 13.84% |
| 2004 | 35,557,259 | 114,035,783 | 53,441,022 | 32,404,785 | 170,629,279 | 47.56 | 1,799,556,416 | 11.28% |
| 2005 | 59,504,951 | 98,322,204 | 47,215,983 | 33,441,125 | 171,602,013 | 48.56 | 1,832,435,444 | 11.19% |
| 2006 | 61,861,605 | 108,310,812 | 46,657,286 | 34,462,705 | 182,366,998 | 48.56 | 1,710,413,588 | 12.68% |
| 2007 | 64,236,108 | 112,666,610 | 48,076,717 | 35,462,783 | 189,516,652 | 49.55 | 1,790,844,660 | 12.56% |
| 2008 | 67,122,274 | 123,087,517 | 83,224,404 | 36,296,280 | 237,137,915 | 48.56 | 2,136,157,852 | 12.80% |
| 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% |

Source: DeSoto Parish Tax Assessor Agency

Notes:

- (1) Property in the parish is reassessed every four years.
- (2) Assessed values are established by the Assessor each year on a uniform basis at the following ratios of assessed value to actual value:
 - 10% land
 - 10% residential improvements
 - 15% industrial improvements
 - 15% machinery
 - 15% commercial improvements
 - 25% public service properties, excluding land
 - 28% agricultural class property
- (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 | | Total School Millage | | Overlapping Rates | | Total Direct and Overlapping Rates |
|---------------------------|-----------------------------|----------------------|---------------------------|-------------------|-------------------|-------------------|------------------------------------|
| | Operating Millage | Debt Service Millage | DeSoto Parish Police Jury | City of Mansfield | DeSoto Parish | City of Mansfield | |
| 2002 | 47.56 | 92.50 | 140.06 | 18.40 | 16.82 | 16.82 | 175.28 |
| 2003 | 47.56 | 98.00 | 145.56 | 18.41 | 16.82 | 16.82 | 180.79 |
| 2004 | 47.56 | 96.50 | 144.06 | 18.41 | 16.82 | 16.82 | 179.29 |
| 2005 | 48.56 | 113.25 | 161.81 | 18.39 | 16.82 | 16.82 | 197.02 |
| 2006 | 48.56 | 113.00 | 161.56 | 18.39 | 16.82 | 16.82 | 196.77 |
| 2007 | 49.55 | 110.25 | 159.80 | 18.39 | 16.82 | 16.82 | 195.01 |
| 2008 | 48.56 | 112.00 | 160.56 | 18.39 | 16.82 | 16.82 | 195.77 |
| 2009 | 48.56 | 48.38 | 96.94 | 17.86 | 16.61 | 16.61 | 131.41 |
| 2010 | 48.56 | 27.50 | 76.06 | 17.86 | 16.61 | 16.61 | 110.53 |
| 2011 | 43.56 | 24.00 | 67.56 | 17.86 | 16.61 | 16.61 | 102.03 |

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, 2011 and Nine Years Ago

| Taxpayer | Fiscal Year 2011 | | | | Fiscal Year 2002 | | | |
|-------------------------------|------------------------|------|--|--|------------------------|------|--|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | |
| International Paper Co. | \$ 71,613,799 | 1 | 16.55 % | | \$ 34,523,273 | 2 | 20.55 % | |
| Exco Production Company | 35,402,879 | 2 | 8.18 | | | | | |
| Southwestern Electric LP | 24,049,165 | 3 | 5.56 | | 29,978,151 | 3 | 17.84 | |
| Cleco Power LLC | 18,204,925 | 4 | 4.21 | | 34,758,208 | 1 | 20.69 | |
| El Paso E & P Company LP | 19,232,123 | 5 | 4.44 | | 2,541,040 | 7 | 1.51 | |
| Patterson Uti. Drilling Co. | 11,213,600 | 6 | 2.59 | | | | | |
| Gulf South Pipeline Company | 11,001,590 | 7 | 2.54 | | | | | |
| Nomac Drilling Corp | 10,237,300 | 8 | 2.86 | | | | | |
| Constock Oil & Gas | 10,024,617 | 9 | 2.32 | | | | | |
| Nabors Drilling USA | 7,639,251 | 10 | 1.77 | | | | | |
| Crosstex Lig, LLC | | | | | | | | |
| Dolet Hills Mining Venture | | | | | 4,379,340 | 4 | 2.61 | |
| Northeast Texas Electric | | | | | 2,672,588 | 5 | 1.59 | |
| Bell South Telecommunications | | | | | 2,408,646 | 6 | 1.43 | |
| BP America Production | | | | | 1,717,130 | 8 | 1.02 | |
| J-W Operating | | | | | 1,754,720 | 9 | 1.04 | |
| Southern Natural Gas Co. | | | | | 1,654,970 | 10 | 0.99 | |
| Totals | \$ 218,619,249 | | 51.02 % | | \$ 116,388,066 | | 68.29 % | |

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 | | Collections In Subsequent Years | Total Collections to Date | |
|---------------------------------|--------------------------------------|----------------------|--------------------|------------------------------------|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2002 | \$ 9,747,208 | \$ 9,392,571 | 96.36% | \$ 209,095 | \$ 9,601,666 | 98.51% |
| 2003 | 10,028,737 | 9,965,181 | 99.37% | 63,556 | 10,028,737 | 100.00% |
| 2004 | 9,656,305 | 9,497,701 | 98.36% | 158,604 | 9,656,305 | 100.00% |
| 2005 | 11,199,232 | 11,022,061 | 98.42% | 62,949 | 11,085,010 | 98.98% |
| 2006 | 12,072,270 | 11,780,059 | 97.58% | 18,558 | 11,798,617 | 97.73% |
| 2007 | 12,729,706 | 12,598,512 | 98.97% | N/A | 12,598,512 | 98.97% |
| 2008 | 15,915,773 | 15,821,447 | 99.41% | 12,163 | 15,833,610 | 99.48% |
| 2009 | 17,356,378 | 17,243,258 | 99.35% | 52,619 | 17,295,877 | 99.65% |
| 2010 | 20,618,149 | 20,348,752 | 98.69% | 51,426 | 20,400,178 | 98.94% |
| 2011 | 22,188,330 | 21,596,738 | 97.33% | N/A | 21,596,738 | 97.33% |

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 | | | Total Collections |
| | School Board | Police Jury | Law Enforcement District | Mansfield | Other | Total Rate | School Board | Police Jury | Law Enforcement District (5) | Mansfield | Other | | |
| 2002 | 2.50% | 1.00% | | 1.00% | 3.00% | 4.50% | \$ 6,166,690 | \$ 2,511,673 | \$ 0 | \$ 769,526 | \$ 288,619 | \$ 9,736,508 | |
| 2003 | 2.50% | 1.00% | | 1.00% | 3.00% | 4.50% | 7,281,919 | 2,914,812 | 0 | 778,128 | 304,461 | 11,279,320 | |
| 2004 | 2.50% | 1.00% | | 1.00% | 3.00% | 4.50% | 7,833,361 | 3,141,382 | 0 | 751,352 | 257,921 | 11,984,016 | |
| 2005 | 2.50% | 1.00% | 0.50% | 1.00% | 3.00% | 5.00% | 8,113,931 | 3,247,301 | 1,036,038 | 769,587 | 328,298 | 13,495,155 | |
| 2006 | 2.50% | 1.00% | 0.50% | 1.00% | 3.00% | 5.00% | 9,635,507 | 3,858,636 | 1,903,864 | 878,337 | 357,982 | 16,634,326 | |
| 2007 | 2.50% | 1.00% | 0.50% | 1.00% | 3.00% | 5.00% | 13,480,208 | 5,394,684 | 2,645,792 | 1,024,391 | 469,773 | 23,014,847 | |
| 2008 | 2.50% | 1.00% | 0.50% | 1.00% | 3.00% | 5.00% | 13,850,262 | 5,541,825 | 2,748,825 | 1,034,387 | 461,324 | 23,636,623 | |
| 2009 | 2.50% | 1.00% | 0.50% | 1.50% | 3.00% | 5.00% | 25,810,503 | 10,382,643 | 5,162,962 | 1,418,932 | 650,807 | 43,425,848 | |
| 2010 | 2.50% | 1.00% | 0.50% | 1.50% | 3.00% | 5.00% | 50,637,444 | 20,256,897 | 10,121,940 | 2,088,200 | 944,490 | 84,048,971 | |
| 2011 | 2.50% | 1.00% | 0.50% | 1.50% | 3.00% | 5.00% | 72,757,851 | 29,103,717 | 14,551,222 | 2,543,632 | 1,069,701 | 120,026,123 | |

Notes:

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

Table 10

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| 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 |
|---------------------------------|--------------------------------|-------------------------------|---------------------------------|------------------------------------|------------------------------|-------------------------------------|---------------|
| | | | | | | | |
| 2002 | \$ 19,605,000 | \$ 170,000 | \$ 0 | \$ 2,730,000 | \$ 22,505,000 | 4.53% | 720 |
| 2003 | 17,630,000 | 155,000 | 0 | 2,705,000 | 20,490,000 | 3.80% | 641 |
| 2004 | 15,525,000 | 139,000 | 0 | 2,485,000 | 18,149,000 | 3.38% | 555 |
| 2005 | 22,960,000 | 122,000 | 0 | 2,255,000 | 25,337,000 | 4.48% | 880 |
| 2006 | 20,825,000 | 104,000 | 0 | 2,015,000 | 22,944,000 | 3.81% | 793 |
| 2007 | 18,425,000 | 86,000 | 0 | 1,765,000 | 20,276,000 | 3.18% | 768 |
| 2008 | 34,475,000 | 66,000 | 0 | 1,500,000 | 36,041,000 | 5.32% | 1,372 |
| 2009 | 31,305,000 | 45,000 | 0 | 1,225,000 | 32,575,000 | 4.57% | 1,234 |
| 2010 | 30,205,000 | 23,000 | 9,000,000 | 940,000 | 40,168,000 | 5.34% | 1,521 |
| 2011 | 29,055,000 | 0 | 8,730,000 | 640,000 | 38,425,000 | 4.75% | 1,442 |

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 |
| 2002 | \$ 19,605,000 | \$ 1,405,847 | \$ 18,199,153 | 1.26% | 714 |
| 2003 | 17,630,000 | 1,303,333 | 16,326,667 | 1.13% | 635 |
| 2004 | 15,525,000 | 1,239,870 | 14,285,130 | 0.79% | 550 |
| 2005 | 22,960,000 | 1,849,935 | 21,110,065 | 1.15% | 805 |
| 2006 | 20,825,000 | 2,098,334 | 18,726,666 | 1.09% | 710 |
| 2007 | 18,425,000 | 2,333,147 | 16,091,853 | 0.90% | 610 |
| 2008 | 34,475,000 | 2,882,156 | 31,592,844 | 1.48% | 1,203 |
| 2009 | 31,305,000 | 1,467,911 | 29,837,089 | 1.15% | 1,131 |
| 2010 | 30,205,000 | 2,036,060 | 28,168,940 | 0.90% | 1,067 |
| 2011 | 29,055,000 | 3,758,781 | 25,296,219 | 0.67% | 949 |

Notes:

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.
- (2) General Obligation Bonds column excludes sales tax bonds and certificates of indebtedness.
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population data (Table 14).

Table 12

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-------------------------|--|--|
| Debt repaid with property taxes | | | |
| DeSoto Parish Police Jury | \$ 2,420,000 | 100.00% | \$ 2,420,000 |
| City of Mansfield | 570,000 | 100.00% | 570,000 |
| Subtotal, overlapping debt | | | <u>2,990,000</u> |
| DeSoto Parish School Board Direct Debt | | | <u>38,425,000</u> |
| Total direct and overlapping debt | | | <u>\$ 41,415,000</u> |

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

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School Board. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School Board.
- (2) Various tax districts exist within DeSoto Parish that involve a small percentage of parish taxpayers. These districts' debt is not included as the amounts and impact on this schedule is not significant.
- (3) Debt outstanding includes all general bonded debt, certificates of indebtedness, sales tax bonds, and limited tax revenue bonds.

DESOTO PARISH SCHOOL BOARD
Monsfield, Louisiana

Legal Debt Margin Information
Last Ten Fiscal Years

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Debt Limit | \$ 68,942,015 | \$ 70,164,163 | \$ 70,987,859 | \$ 71,677,035 | \$ 75,996,846 | \$ 78,742,802 | \$ 95,701,968 | \$ 115,421,665 | \$ 139,006,846 | \$ 165,092,572 |
| Total net debt applicable to limit | 16,695,000 | 14,925,000 | 13,040,000 | 21,110,065 | 18,726,666 | 16,091,853 | 31,592,844 | 29,837,089 | 28,168,940 | 25,296,219 |
| Legal debt margin | \$ 52,247,015 | \$ 55,239,163 | \$ 57,947,859 | \$ 50,566,970 | \$ 57,270,180 | \$ 62,650,949 | \$ 64,109,124 | \$ 85,584,576 | \$ 110,837,906 | \$ 139,796,353 |
| Total net debt applicable to the limit as a percentage of debt limit | 24.22% | 21.27% | 18.37% | 29.45% | 24.64% | 20.44% | 33.01% | 25.85% | 20.26% | 15.32% |

Legal Debt Margin Calculation for Fiscal Year 2011

| | |
|---|----------------|
| Assessed value | \$ 432,685,952 |
| Add back: exempt real property | 39,007,112 |
| Total assessed value | 471,693,064 |
| Debt limit (35% of total assessed value) | 165,092,572 |
| Debt applicable to limit: | |
| General Obligation bonds | 29,055,000 |
| Less: Amount set aside for repayment of general obligation debt | 3,756,781 |
| Total net debt applicable to limit | 25,296,219 |
| Legal debt margin | \$ 139,796,353 |

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).

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 |
|---------------------------------|------------|--------------------|-------------------------------------|----------------------|---|----------------------|----------------------|
| | | | | | Personal Income | Unemployment Rate | |
| 2002 | 25,496 | \$ 496,739,000 | \$ 19,483 | 4,810 | N/A | N/A | 7.7 |
| 2003 | 25,708 | 539,671,000 | 20,992 | 4,840 | N/A | N/A | 10.9 |
| 2004 | 25,990 | 537,360,000 | 20,676 | 5,003 | N/A | N/A | 10.5 |
| 2005 | 26,231 | 565,986,000 | 21,577 | 5,058 | N/A | N/A | 7.5 |
| 2006 | 26,383 | 602,010,000 | 22,818 | 5,016 | N/A | N/A | 5.5 |
| 2007 | 26,390 | 637,078,000 | 24,141 | 5,008 | 63.12 % | 63.12 % | 5.5 |
| 2008 | 26,269 | 677,131,000 | 25,777 | 4,881 | 66.50 % | 66.50 % | 7.6 |
| 2009 | 26,388 | 715,563,396 | 27,117 | 4,885 | 67.05 % | 67.05 % | 6.8 |
| 2010 | 26,401 | 752,111,688 | 28,488 | 4,925 | 66.64 % | 66.64 % | 7.9 |
| 2011 | 26,656 | 808,156,608 | 30,318 | 4,923 | 65.60 % | 65.60 % | 8.9 |

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.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Principal Employers
Current Year

| | 2011 | | | 2004 | | |
|-------------------------------------|---------------------|------|-----------------------|---------------------|------|-----------------------|
| | Number of Employees | Rank | % of Total Employment | Number of Employees | Rank | % of Total Employment |
| DeSoto Parish School Board | 805 | 1 | 7.55% | 795 | 1 | 7.72% |
| International Paper | 520 | 2 | 4.88% | 525 | 2 | 5.10% |
| DeSoto Regional Health System | 292 | 3 | 2.74% | 185 | 6 | 1.80% |
| Dofet Hills Lignite Mill | 200 | 4 | 1.88% | 186 | 5 | 1.81% |
| DeSoto Parish Police Jury | 192 | 5 | 1.80% | 77 | 10 | 0.75% |
| Wal-mart Supercenter | 187 | 6 | 1.75% | 78 | 9 | 0.76% |
| Zachary (maintenance contractor IP) | 150 | 7 | 1.41% | | | |
| DeSoto Sheriff Department | 103 | 8 | 0.97% | | | |
| Hendrix Manufacturing | 72 | 9 | 0.68% | 126 | 7 | 1.22% |
| DeSoto Council on Aging | 67 | 10 | 0.63% | | | |
| Georgia Pacific | | | | 327 | 3 | 3.18% |
| Kellog - Brown & Root | | | | 240 | 4 | 2.33% |
| Dofet Hills Power Plant | | | | 100 | 8 | 0.97% |

Source: DeSoto Parish Chamber of Commerce

Notes:

- (1) Principal employers information is available for 2004 and later
- (2) Employment data obtained from U. S. Department of Labor.

Table 16

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Building Information
June 30, 2011

Form of Government: Parish School Board
Geographic Area: 879 Square Miles
Population: 26,656
Public School Enrollment: 4,923

| Instructional Sites | Date Constructed | School District | Grades Taught | Capacity | | No. of Rated | | Student Capacity |
|--------------------------------------|------------------|-----------------|------------------|----------------|---------------|--------------|--------------------|------------------|
| | | | | Sq. Ft. | Acreage | Classrooms | Rooms | |
| High Schools: | | | | | | | | |
| DeSoto Alternative | 1998 | #4 | 9-12 | 19,507 | 4.20 | 10 | 130 | 130 |
| Logansport | 1992 | #1 | Pre K-12 | 124,197 | 53.47 | 64 | 990 | 990 |
| Mansfield | 2009 | #4 | 9-12 | 137,472 | 27.34 | 44 | 690 | 690 |
| North DeSoto | 1982 | #2 | 9-12 | 146,092 | 37.57 | 45 | 720 | 720 |
| Pelican | 1992 | #5 | Pre K-12 | 48,799 | 42.73 | 24 | 400 | 400 |
| Stanley | 1991 | #3 | Pre K-12 | 63,820 | 40.00 | 30 | 500 | 500 |
| Middle Schools: | | | | | | | | |
| Mansfield | 1994 | #4 | Pre K-8 | 216,878 | 140.30 | 110 | 1,800 | 1,800 |
| North DeSoto | 2007 | #2 | 6-8 | 75,178 | 41.56 | 30 | 900 | 900 |
| Elementary Schools: | | | | | | | | |
| North DeSoto PK-2 | 1988 | #2 | Pre K-2 | 65,782 | 20.00 | 43 | 720 | 720 |
| North DeSoto 3-5 | 1994 | #2 | 3-5 | 70,078 | 15.00 | 32 | 650 | 650 |
| Total Instructional Sites | | | | 967,803 | 422.17 | 432 | 7,500 | 7,500 |
| Non-Instructional Sites | | | | | | | | |
| Testing & Adult Ed. | 1975 | 1 | Capacity Sq. Ft. | 7,200 | Acreage | 1 | No. of Rated Rooms | 3 |
| Central Office | 1956 | 1 | | 5,287 | 1.13 | 16 | | 16 |
| Central Office Warehouse | 1956 | 1 | | 4,000 | 0.30 | 4 | | 4 |
| Maintenance | 2009 | 2 | | 19,734 | 1.74 | 10 | | 10 |
| Instructional Materials Center | 1969 | 1 | | 14,950 | 3.36 | 18 | | 18 |
| Media Center Warehouse | 1981 | 1 | | 9,200 | 0.25 | 2 | | 2 |
| Special Services Building | 1981 | 1 | | 10,020 | 1.15 | 16 | | 16 |
| Transportation/food service facility | 2010 | 2 | | 14,592 | 9.00 | 18 | | 18 |
| Total Non-Instructional Sites | | | | 84,983 | 17.43 | 87 | | 87 |

Source: DeSoto Parish School Board.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

School Personnel
Fiscal Years Ended June 30, 2002 Through June 30, 2011

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Teachers | | | | | | | | | | |
| Less than a Bachelor's degree | 0 | 0 | 0 | 0 | 3 | 4 | 3 | 3 | 4 | 3 |
| Bachelor | 277 | 276 | 291 | 274 | 265 | 267 | 253 | 257 | 278 | 274 |
| Master | 53 | 58 | 52 | 56 | 66 | 68 | 67 | 66 | 71 | 76 |
| Master +30 | 25 | 25 | 26 | 23 | 20 | 19 | 21 | 25 | 23 | 22 |
| Specialist in Education | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 3 |
| Ph.D or Ed.D | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 2 |
| Total | 359 | 363 | 374 | 357 | 358 | 363 | 349 | 356 | 380 | 380 |
| Principals & Assistants | | | | | | | | | | |
| Bachelor | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 2 | 1 | 0 |
| Master | 12 | 10 | 11 | 11 | 11 | 11 | 12 | 13 | 10 | 1 |
| Master +30 | 11 | 14 | 12 | 12 | 11 | 10 | 11 | 12 | 13 | 14 |
| Specialist in Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| Ph.D or Ed.D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 24 | 25 | 24 | 24 | 25 | 24 | 26 | 27 | 24 | 27 |

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

Notes:

(1) The agreed upon procedures report on performance and statistical data is available only for the fiscal years ended June 30, 2002 through 2011.

Table 18

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Operating Statistics

For the Fiscal Years Ended June 30, 2002 through June 30, 2011

| Fiscal Year Ended June 30 | Expenses | PreK - 12 Enrollment | Cost Per Pupil | Percentage Change | Teaching Staff | Pupil/ Teacher Ratio |
|---------------------------------|---------------|-------------------------|-------------------|----------------------|-------------------|----------------------------|
| | | | | | | |
| 2002 | \$ 41,767,505 | 5,092 | \$ 8,203 | 0 | 359 | 14.18 |
| 2003 | 44,011,357 | 5,065 | 8,689 | 5.93% | 363 | 13.95 |
| 2004 | 44,366,812 | 5,003 | 8,868 | 2.06% | 374 | 13.38 |
| 2005 | 47,798,333 | 5,058 | 9,450 | 6.56% | 357 | 14.17 |
| 2006 | 49,057,668 | 5,016 | 9,780 | 3.49% | 358 | 14.01 |
| 2007 | 53,819,696 | 5,024 | 10,713 | 9.53% | 363 | 13.84 |
| 2008 | 55,380,236 | 4,881 | 11,346 | 5.91% | 349 | 13.99 |
| 2009 | 70,103,737 | 4,885 | 14,351 | 26.48% | 356 | 13.72 |
| 2010 | 81,227,959 | 4,925 | 16,493 | 14.93% | 380 | 12.96 |
| 2011 | 95,693,440 | 4,923 | 19,438 | 17.86% | 380 | 12.96 |

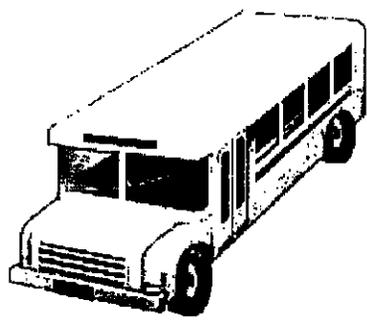
Source: Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.

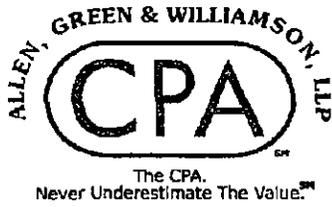
Notes:

- (1) This information is presented for 2002 and thereafter because the teaching staff information is extracted from the agreed upon procedures report on performance and statistical data which is available only for the fiscal years ended June 30, 2002 through 2010.
- (2) Expenses are on full accrual and is extracted from Table 2, Changes in Net Assets.
- (3) Enrollment is extracted from Table 14, Demographic and Economic Statistics.
- (4) Teaching staff is extracted from Table 17, School Personnel.

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana
Schedule of Insurance in Force
June 30, 2011

| Type of Coverage/ Name of Company | Policy Number | Policy Period | | Details of Coverage and Coinsurance | Coverage Limits | 2009-10 Premium | 2010-11 Premium |
|---|------------------|---------------|-----------|--|---|-------------------------|-------------------------|
| | | From | To | | | | |
| Property damage continental Casualtyk (C.N.A.) | 4025810745 | 10/1/2010 | 9/30/2011 | Blanket coverage— all property \$100,000 deductible Includes EDP Coverage | \$ 121,982,248 Citizens Assess. | \$ 122,001 \$ 5,810 | \$ 103,883 \$ 4,283 |
| EDP and Musical Instruments C.N.A. | See Property | 10/1/2010 | 9/30/2011 | Blanket coverage – all property \$5,000 deductible | \$ 4,455,777 | Included in Property | Included in Property |
| Property loss and damage C.N.A. | R1098616439 | 10/1/2010 | 9/30/2011 | Boilers and electric motors \$2,500 deductible | \$ 6,250,000 | \$ 9,384 | \$ 9,907 |
| General liability LARMA | LA110-H | 10/1/2010 | 9/30/2011 | All property and employees \$25,000 deductible per occur. | \$ 1,000,000 per occurrence \$3,000,000 aggregate | \$ 75,766 | \$ 75,766 |
| Auto/Fleet LARMA | LA110-H | 10/1/2010 | 9/30/2011 | Specified vehicles \$2,500 deductible (comprehensive) \$2,500 deductible (collision) \$5,000 Medical Payments/person \$50,000 Per Occurrence | \$ 1,000,000 liability w/ \$10,000 deductible \$55,000 PD per occ. 165K Annual Agg. | \$ 128,180 | \$ 144,426 |
| Public Employees Blanket Bond Great American | GVT554410207 | 10/1/2010 | 9/30/2011 | All School Board employees \$2,500 deductible | \$ 100,000 | \$ 3,178 | \$ 3,178 |
| School Board Legal Liability LARMA | LA110-H | 10/1/2010 | 9/30/2011 | Errors and omissions coverage \$25,000 deductible | \$ 1,000,000 | \$ 19,311 | \$ 19,311 |
| Worker's Compensation Safety National Casualty Co. | AGC-2Z26-LA | 7/1/2009 | 6/30/2011 | Blanket coverage – all employees Self-insured retention \$250,000 | \$ 1,000,000 | \$ 32,667 | \$ 38,840 |





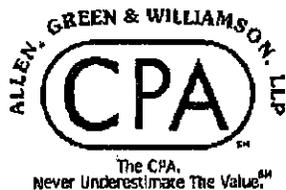
**DeSoto Parish School Board
Mansfield, Louisiana**

**Compliance with Single Audit Act Amendment of 1996
And Other Information
For the Year Ended June 30, 2011**

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

**DeSoto Parish School Board
Table of Contents**

| | <u>Page</u> |
|--|-------------|
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u> | 1-2 |
| Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u> | 3-5 |
| Schedule of Expenditures of Federal Awards | 6-7 |
| Notes to the Schedule of Expenditures of Federal Awards | 8 |
| Schedule of Findings and Questioned Costs | 9-11 |
| OTHER INFORMATION | |
| Corrective Action Plan for Current Year Audit Findings and Questioned Costs | 12-14 |
| Agreed-upon Procedures | |
| Independent Accountants' Report on Applying Agreed-upon Procedures | 15-17 |
| School Board prepared Performance and Statistical Data Schedules | 18-28 |



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4864

Toll-free: (888) 741-0205

www.allengreencpa.com

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

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jaunicia Mercer, CPA
Cindy Thomason, CPA

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

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

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

We have audited the 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, 2011, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 19, 2011. 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.

Internal Control over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

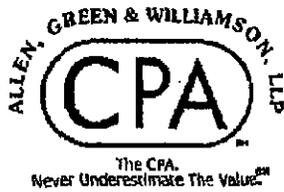
As part of obtaining reasonable assurance about whether the School Boards' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

This report is intended solely for the information and use of management, the Board, others within the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2011



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

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

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jauicia Mercer, CPA
Cindy Thomason, CPA

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

Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

Compliance

We have audited the compliance of DeSoto Parish School Board with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-F1 and 11-F2.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-F1 and 11-F2. 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.

The School Board's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year audit findings and questioned costs. We did not audit the School Board's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

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, 2011, and have issued our report thereon dated November 19, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board, others within the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2011

**DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM NAME | CFDA Number | Grantor No. | 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 | \$ 149,442 |
| Cash Assistance: | | | |
| School Breakfast Program | 10.553 | N/A | 384,455 |
| National School Lunch Program | 10.555 | N/A | 1,242,324 |
| Total United States Department of Agriculture | | | <u>1,776,221</u> |
| Passed Through Louisiana Department of Education: | | | |
| Special Education – State Personnel Development Title I Part A Cluster: | 84.323 | 28-11-P2-16 | 17,627 |
| Basic Grant Program | 84.010 | 28-09-TA-16 | 32,744 |
| | | 28-10-TA-16 | 116,128 |
| | | 28-10-TA-16C | 7,160 |
| | | 28-11-T1-16 | 2,053,145 |
| | | 28-12-T1-16 | 87,332 |
| Title I ARRA | 84.389 | 28-10-T1-16ARRA | <u>401,431</u> |
| | | | 2,697,940 |
| Special Education Cluster: | | | |
| State Grants – Part B | 84.027 | 11-BI-16 | 1,021,877 |
| | | 12-BI-16 | 52,477 |
| | | 28-10-PD-16C | 46,915 |
| IDEA Part B ARRA | 84.391 | 10-BI-16ARRA | 546,469 |
| Preschool Grants | 84.173 | 11-PI-16 | 45,569 |
| Preschool Grant-ARRA | 84.392 | 10-PI-16ARRA | <u>11</u> |
| | | | 1,713,318 |
| Title II Math & Science Partnerships Improving Teacher Quality (Title II) | 84.366 | 28-10-MP-09 | 6,115 |
| Reading First State Grants | 84.367 | 28-10-50-16 | 366,793 |
| | 84.357 | 28-09-RF-16C | 21,487 |
| Education Jobs Fund ARRA | 84.410 | 28-11-EJ-16 | 413,309 |
| | | 28-11-EM-16 | 424,832 |
| Vocational Education Basic Grants To States | 84.048 | 28-11-02-16 | 78,635 |
| English Language Acquisition Grant (Title III) | 84.365 | 28-11-60-16 | 9,695 |

(Continued)

DeSoto Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

| PASS-THROUGH GRANTOR/PROGRAM NAME | <u>Number</u> | <u>Grantor No.</u> | <u>Expenditures</u> | |
|---|---------------|--------------------|---------------------|---------------------|
| Educational Technology State Grants Cluster: | | | | |
| Technology Literacy Challenge | 84.318X | 28-10-49-16 | 5,187 | |
| | | 28-10-49-16C | 646 | |
| Enhancing Education Thru Technology ARRA | 84.386 | 28-09-59-16C | 99 | |
| | | 28-09-EH-16 | 66,022 | |
| | | 28-09-EH-16C | 14,951 | |
| | | 28-09-S6-16 | 787 | |
| | | 28-09-S6-16C | 14,197 | 101,889 |
| School Improvement | 84.377 | 28-09-TC-16 | | 16,935 |
| Teacher Incentive Fund | 84.374 | 28-11-TF-16 | | 540,963 |
| Title IV (Safe and Drug-Free Schools) | 84.186 | 28-10-70-16C | | 8 |
| Total United States Department of Education | | | | <u>6,409,546</u> |
| United States Department of Health and Human Services | | | | |
| Passed Through the Louisiana Department of Education: | | | | |
| Payments to States for Child Care Assistance | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 28-11-36-16 | 914,098 | |
| | 93.558 | 28-11-JS-16 | 50,000 | 964,098 |
| Passed Through the Louisiana Association of School Boards: | | | | |
| Prevention and Wellness - ARRA | 93.723 | Wellness - ARRA | | 8,500 |
| Total United States Department of Health and Human Services | | | | <u>972,598</u> |
| United States Department of Defense | | | | |
| Jr. ROTC | 12.UKN | | | 127,954 |
| TOTAL FEDERAL AWARDS | | | | <u>\$ 9,286,319</u> |

(Concluded)

DeSoto Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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

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

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

| | |
|---|---------------------|
| General Fund | \$ 127,954 |
| Special Revenue: | |
| Educational Consolidation & Improvement Act - Title I | 2,697,940 |
| Improving Teacher Quality - Title II | 474,797 |
| Literacy Challenge - Title III | 9,695 |
| Safe and Drug Free Schools - Title IV | 8 |
| Special Education | 1,730,945 |
| Prevention and Wellness - ARRA | 8,500 |
| Teacher Incentive | 540,963 |
| Jobs For America's Graduates | 50,000 |
| School Food Service | 1,776,221 |
| Vocational Education | 78,635 |
| Reading First | 21,487 |
| Early Childhood Development | 914,098 |
| School Improvement | 16,935 |
| Education Jobs Fund | 838,141 |
| Total | <u>\$ 9,286,319</u> |

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

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

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

DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

Audit of Federal Awards

- iv. There were 2 significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed 2 audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal awards are:

Special Education Cluster:

- CFDA #84.027 IDEA B
- CFDA #84.391 IDEA B ARRA
- CFDA #84.173 Preschool
- CFDA #84.392 Preschool ARRA

Education Technology Cluster:

- CFDA #84.318 Technology Literacy Challenge
- CFDA #84.386 Enhancing Education Through Technology ARRA

- CFDA #84.367 Improving Teacher Quality (Title II)
- CFDA #84.374 Teacher Incentive Fund
- CFDA #84.410 Education Jobs Fund ARRA

- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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

Reference and title: 11-F1 Eligibility

Federal program and specific federal award identification: This finding relates to the Improving Teacher Quality (Title II) CFDA# 84.367 for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific condition: In determining eligibility for school attendance areas a school district may select a poverty measure from among several data sources. The School District uses the number of children eligible for free and reduced priced lunches. That measure should be used consistently across the district to rank all of its school attendance areas according to their percentage of poverty.

Condition found: The enrollment numbers used in the attendance area selection did not include preschool children while the numbers used for the poverty measure (free and reduced priced lunches) included preschool children.

Possible asserted effect (cause and effect):

Cause: The free and reduced counts by school were provided by the Child Nutrition Department which included preschool children. These preschool counts were not backed out of the numbers used in the targeting steps.

Effect: The schools eligibility was not affected but the allocations between schools were affected.

Recommendation to prevent future occurrence: Data used for enrollment and poverty measures should be consistent. Preschool children should not be included.

Reference and title: 11-F2 Matching, Level of Effort and Earmarking

Federal program and specific federal award identification: This finding relates to the Special Education Cluster: IDEA B CFDA# 84.027, IDEA B ARRA CFDA# 84.391, Preschool CFDA# 84.173, and Preschool ARRA CFDA# 84.392 for Federal Award Year 2011, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific condition: A school district can use not more than 15% of the amount of federal funds for special education programs for early intervening services for children in kindergarten through grade 12 who have not been identified under IDEA but need additional academic and behavioral support to succeed in the general education environment.

Condition found: Expenditures for early intervening services exceeded the 15% maximum.

Computation of Questioned Costs: The budget total of all four grants for the Special Education Program was \$2,544,185. The early intervention services cannot exceed 15% of this total which is \$381,629. The School Board spent \$420,366 on early intervention services. The questioned cost is \$38,737.

**DeSoto Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

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

Possible asserted effect (cause and effect):

Cause: Salary expenditures for the three staff assigned to early intervention exceeded the 15% limit.

Effect: Actual expenditures for early intervening services exceeded the 15% limit.

Recommendation to prevent future occurrence: Internal monitoring controls should be established to ensure that earmarking requirements and minimum/maximum limits are followed.

**DeSoto Parish School Board
Corrective Action Plan for Current Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2011**

Reference and title: **11-F1** **Eligibility**

Federal program and specific federal award identification: This finding relates to Title II CFDA# 84.367 for Federal Award Year 2011, received from Federal Agency U. S. Department of Education passed through the Louisiana Department of Education.

Condition found: In determining eligibility for school attendance areas a school district may select a poverty measure from among several data sources. The School District uses the number of children eligible for free and reduced priced lunches. That measure should be used consistently across the district to rank all of its school attendance areas according to their percentage of poverty.

The enrollment numbers used in the attendance area selection did not include preschool children while the numbers used for the poverty measure (free and reduced priced lunches) included preschool children.

Corrective action planned: See corrective action on page 13.

Person responsible for corrective action:

Steven Stanfield, Director of Business Services
DeSoto Parish School Board
201 Crosby Street
Mansfield, LA 71052

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

Anticipated completion date: Immediately.

Reference and title: **11-F2** **Matching, Level of Effort and Earmarking**

Federal program and specific federal award identification: This finding relates to the Special Education Cluster: IDEA B CFDA# 84.027, IDEA B ARRA CFDA# 84.391, Preschool CFDA# 84.173, and Preschool ARRA CFDA# 84.392 for Federal Award Year 2011, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition: A school district can use not more than 15% of the amount of federal funds for special education programs for early intervening services for children in kindergarten through grade 12 who have not been identified under IDEA but need additional academic and behavioral support to succeed in the general education environment.

Expenditures for early intervening services exceeded the 15% maximum.

Corrective action planned: See corrective action on page 13.

Person responsible for corrective action:

Steven Stanfield, Director of Business Services
DeSoto Parish School Board
201 Crosby Street
Mansfield, LA 71052

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

Anticipated completion date: Immediately.



DeSoto Parish School Board

201 Crosby Street - Mansfield, Louisiana 71052 - (318) 872-2636 - FAX (318) 872-1324



WALTER C. LEE
Superintendent

December 1, 2011

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

RE: Corrective Action Plan – Schedule of Findings and
Questioned Cost – OMB Circular A-133 Reports

Dear Board Members:

We have reviewed the Schedule of Findings and Questioned Cost – OMB Circular A-133 Reports for FY 2010-11 that ended June 30, 2011, from the Board's independent auditor and offer the following corrective action plan.

Reference # and title: 11-F1 Eligibility

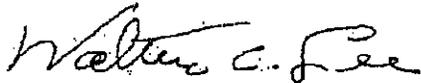
The DeSoto Parish School Board distributes the balance of the Title I grant funds not earmarked for (1) Parental Involvement, (2) School Choice/Supplemental Services, or (3) other Title I required set aside requirements to all school using a weighted formula of free/reduced students as a percentage of total enrollment.

The audit states that for FY 2010-11 this formula incorrectly included preschool children in the free/reduced child count. The Director of Federal Programs Director, who is responsible for this calculation and distribution of funds, has been notified of the violation and has made changes so that future distributions will not include Pre-kindergarten students. Future reports for free/reduced students will show a breakdown for all K-12 Students, Pre-kindergarten Students, and a Total for all students. Also, future Title I school allocations will be reviewed and approved by the Grants Manager and/or the Director of Business Services to insure that we are excluding Pre-kindergarten students from the calculation.

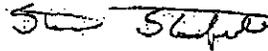
Reference # and title: 11-F2 Matching, Level of Effort and Earmarking

The DeSoto Parish School Board received four Individuals with Disabilities Education Act (IDEA) grants from the Federal government in FY 2010-11 totaling \$2,544,185. Part of the IDEA requires the Board to set aside some of these monies for Early Intervening Services and for Private Schools.

The audit states expenditures for Early Intervening Services (EIS) exceeded the 15% maximum. The Business Office investigated and discovered that the clerical error occurred when requesting reimbursement from the State Department of Education. One of the workers paid with IDEA should have been coded and requested using 11-611 (Instruction – Age 3 thru 21) instead of 11-EIS (Instruction – Early Intervening Services). If we are allowed to correct this mistake, expenditures for EIS would have been \$366,988 which is under the \$381,629 allowed. The Supervisor of Special Education Services was notified of this violation and has made changes to monitor future expenditures. The Business Office has also placed an additional set of accounts for EIS to post budgets and expenditures to so variances and corrections can be made before the final request for reimbursement is made.

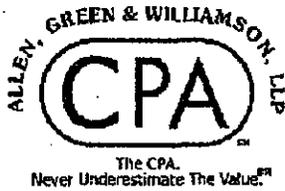


Walter C. Lee, Superintendent
DeSoto Parish Schools



Steven Stanfield, Director of
Business Services

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



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Mergie Williamson, CPA
Amy Tynes, CPA

Aimce Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jaumicia Meroer, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1961 - 2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
DeSoto Parish School Board
Mansfield, Louisiana

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

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

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

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

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

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

Education Levels of Public School Staff (Schedule 2)

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

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

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

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

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

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

Number and Type of Public Schools (Schedule 3)

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

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

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

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

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

Public Staff Data (Schedule 5)

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

Comment: Five exceptions were noted in which extra pay coded as a stipend on the payroll history was included in base pay when it was a coaching supplement.

Management's Response: Corrections to the PEP computer programs were made so that future payments for "coaching playoff supplements" will be shown in the extra compensation pay field instead of the base paid field.

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

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

Class Size Characteristics (Schedule 6)

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

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

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

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

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

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

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

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

The Iowa Tests (Schedule 9)

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

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

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2011

Schedule 1

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2011

| | Column A | Column B |
|---|-------------------|-------------------|
| <u>General Fund Instructional and Equipment Expenditures</u> | | |
| General Fund Instructional Expenditures: | | |
| Teacher and Student Interaction Activities: | | |
| Classroom Teacher Salaries | \$ 22,844,978 | |
| Other Instructional Staff Activities | 2,811,310 | |
| Instructional Staff Employee Benefits | 16,065,959 | |
| Purchased Professional and Technical Services | 67,581 | |
| Instructional Materials and Supplies | 2,821,939 | |
| Instructional Equipment | 0 | |
| Total Teacher and Student Interaction Activities | <u>44,401,767</u> | \$ 44,401,767 |
| Other Instructional Activities | | 1,397,112 |
| Pupil Support Services | 3,664,583 | |
| Less: Equipment for Pupil Support Services | | |
| Net Pupil Support Services | <u>3,664,583</u> | 3,664,583 |
| Instructional Staff Services | 5,100,111 | |
| Less: Equipment for Instructional Staff Services | | |
| Net Instructional Staff Services | <u>5,100,111</u> | 5,100,111 |
| School Administration | 5,530,332 | |
| Less: Equipment for School Administration | | |
| Net School Administration | <u>5,530,332</u> | 5,530,332 |
| Total General Fund Instructional Expenditures (Total of Column B) | | <u>60,093,905</u> |
| Total General Fund Equipment Expenditures (Object 790; Function Series 1000-4000) | | <u>0</u> |
| <u>Certain Local Revenue Sources</u> | | |
| Local Taxation Revenue: | | |
| Constitutional Ad Valorem Taxes | | 1,952,218 |
| Renewable Ad Valorem Tax | | 15,975,565 |
| Debt Service Ad Valorem Tax | | 3,234,950 |
| Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes | | 479,431 |
| Sales and Use Taxes | | 73,086,778 |
| Total Local Taxation Revenue | | <u>84,728,943</u> |
| Local Earnings on Investment in Real Property: | | |
| Earnings from 16th Section Property | | 911,578 |
| Earnings from Other Real Property | | 1,860,282 |
| Total Local Earnings on Investment in Real Property | | <u>2,571,860</u> |
| State Revenue in Lieu of Taxes: | | |
| Revenue Sharing - Constitutional Tax | | 31,212 |
| Revenue Sharing - Other Taxes | | 266,943 |
| Revenue Sharing - Excess Portion | | |
| Other Revenue in Lieu of Taxes | | |
| Total State Revenue in Lieu of Taxes | | <u>298,155</u> |
| Nonpublic Textbook Revenue | | <u>3,796</u> |
| Nonpublic Transportation Revenue | | <u>0</u> |

Schedule 2

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Education Levels of Public School Staff
As of October 1, 2010**

| Category | Full-time Classroom Teachers | | | | Principals & Assistant Principals | | | |
|-------------------------------|------------------------------|----------------|----------------|----------|-----------------------------------|----------------|----------------|----------|
| | Certificated | | Uncertificated | | Certificated | | Uncertificated | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than a Bachelor's Degree | 3 | 0.79% | 0 | | 0 | 0.00% | 0 | |
| Bachelor's Degree | 274 | 72.10% | 0 | | 1 | 3.70% | 0 | |
| Master's Degree | 76 | 20.00% | 0 | | 14 | 51.85% | 0 | |
| Master's Degree + 30 | 22 | 5.79% | 0 | | 12 | 44.45% | 0 | |
| Specialist in Education | 3 | 0.79% | 0 | | 0 | | 0 | |
| Ph. D. or Ed. D. | 2 | 0.53% | 0 | | 0 | | 0 | |
| Total | 380 | 100.00% | 0 | 0 | 27 | 100.00% | 0 | 0 |

Schedule 3

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Number and Type of Public Schools
For the Year Ended June 30, 2011**

| Type | Number |
|-----------------|---------------|
| Elementary | 4 |
| Middle/Jr. High | 2 |
| Secondary | 5 |
| Combination | 2 |
| Total | 13 |

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

Schedule 4

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2010

| | 0-1 Yr. | 2-3 Yrs. | 4-10 Yrs. | 11-14 Yrs. | 15-19 Yrs. | 20-24 Yrs. | 25+ Yrs. | Total |
|----------------------|---------|----------|-----------|------------|------------|------------|----------|-------|
| Assistant Principals | 0 | 0 | 2 | 2 | 1 | 3 | 6 | 14 |
| Principals | 0 | 0 | 0 | 3 | 3 | 2 | 5 | 13 |
| Classroom Teachers | 24 | 37 | 104 | 55 | 55 | 38 | 67 | 380 |
| Total | 24 | 37 | 106 | 60 | 59 | 43 | 78 | 407 |

Schedule 5

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2011

| | All Classroom Teachers | Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions |
|---|------------------------|--|
| Average Classroom Teachers' Salary Including Extra Compensation | \$68,287.51 | \$68,064.68 |
| Average Classroom Teachers' Salary Excluding Extra Compensation | \$66,926.64 | \$66,670.31 |
| Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries | 380.54 | 369.01 |

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

Schedule 6

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Class Size Characteristics
As of October 1, 2010**

| School Type | Class Size Range | | | | | | | |
|----------------------------------|------------------|--------|---------|--------|---------|--------|---------|--------|
| | 1 - 20 | | 21 - 26 | | 27 - 33 | | 34+ | |
| | Percent | Number | Percent | Number | Percent | Number | Percent | Number |
| Elementary | 64.96% | 458 | 33.76% | 238 | 1.28% | 9 | 0.00% | 0 |
| Elementary Activity Classes | 64.58% | 62 | 31.25% | 30 | 2.08% | 2 | 2.08% | 2 |
| Middle/Jr. High | 50.97% | 132 | 46.72% | 121 | 2.32% | 6 | 0.00% | 0 |
| Middle/Jr. High Activity Classes | 44.44% | 20 | 26.67% | 12 | 26.67% | 12 | 2.22% | 1 |
| High | 72.32% | 520 | 20.17% | 145 | 7.23% | 52 | 0.28% | 2 |
| High Activity Classes | 83.47% | 101 | 5.79% | 7 | 4.96% | 6 | 5.79% | 7 |
| Combination | 87.36% | 242 | 11.91% | 33 | 0.72% | 2 | 0.00% | 0 |
| Combination Activity Classes | 75.86% | 22 | 17.24% | 5 | 3.45% | 1 | 3.45% | 1 |

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

Schedule 7

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2011

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | |
|------------------------------------|-----------------------|---------------|------------|---------------|------------|---------------|-------------|---------------|------------|---------------|------------|---------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 4 | | | | | | | | | | | | |
| Advanced | 17 | 3.8% | 4 | 0.9% | 2 | 0.5% | 14 | 3.1% | 8 | 1.8% | 5 | 1.2% |
| Mastery | 58 | 12.9% | 41 | 9.0% | 48 | 11.2% | 65 | 14.4% | 50 | 10.9% | 26 | 6.1% |
| Basic | 188 | 41.8% | 201 | 44.0% | 187 | 43.8% | 170 | 37.8% | 180 | 39.4% | 153 | 35.8% |
| Approaching Basic | 123 | 27.3% | 116 | 25.4% | 120 | 28.1% | 95 | 21.1% | 122 | 26.7% | 122 | 28.6% |
| Unsatisfactory | 64 | 14.2% | 95 | 20.8% | 70 | 16.4% | 106 | 23.6% | 97 | 21.2% | 121 | 28.9% |
| Total | 450 | 100.0% | 457 | 100.0% | 427 | 100.0% | 450 | 100.0% | 457 | 100.0% | 427 | 100.0% |

| District Achievement Level Results | Science | | | | | | Social Studies | | | | | |
|------------------------------------|------------|---------------|------------|---------------|------------|---------------|----------------|---------------|------------|---------------|------------|---------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 4 | | | | | | | | | | | | |
| Advanced | 6 | 1.3% | 6 | 1.3% | 16 | 3.7% | 7 | 1.6% | 4 | 0.9% | 1 | 0.2% |
| Mastery | 55 | 12.3% | 42 | 9.2% | 46 | 10.8% | 63 | 14.1% | 50 | 10.9% | 34 | 8.0% |
| Basic | 174 | 38.8% | 186 | 41.0% | 171 | 40.0% | 219 | 48.9% | 224 | 48.8% | 193 | 45.2% |
| Approaching Basic | 132 | 29.5% | 139 | 30.3% | 121 | 28.3% | 88 | 19.6% | 97 | 21.1% | 102 | 23.9% |
| Unsatisfactory | 81 | 18.1% | 84 | 18.3% | 73 | 17.1% | 71 | 15.6% | 84 | 18.3% | 97 | 22.7% |
| Total | 448 | 100.0% | 469 | 100.0% | 427 | 100.0% | 448 | 100.0% | 459 | 100.0% | 427 | 100.0% |

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | |
|------------------------------------|-----------------------|---------------|------------|---------------|------------|---------------|-------------|---------------|------------|---------------|------------|---------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 8 | | | | | | | | | | | | |
| Advanced | 15 | 3.8% | 14 | 4.3% | 8 | 2.0% | 13 | 3.3% | 19 | 5.8% | 14 | 3.5% |
| Mastery | 72 | 18.2% | 60 | 18.3% | 55 | 13.8% | 16 | 4.0% | 9 | 2.7% | 24 | 6.0% |
| Basic | 158 | 39.9% | 152 | 46.3% | 167 | 41.8% | 174 | 43.9% | 165 | 50.3% | 172 | 43.0% |
| Approaching Basic | 137 | 34.6% | 84 | 25.6% | 129 | 32.3% | 111 | 28.0% | 81 | 24.7% | 97 | 24.3% |
| Unsatisfactory | 14 | 3.5% | 18 | 5.5% | 41 | 10.3% | 82 | 20.7% | 54 | 16.5% | 93 | 23.3% |
| Total | 396 | 100.0% | 328 | 100.0% | 400 | 100.0% | 386 | 100.0% | 328 | 100.0% | 400 | 100.0% |

| District Achievement Level Results | Science | | | | | | Social Studies | | | | | |
|------------------------------------|------------|---------------|------------|---------------|------------|---------------|----------------|---------------|------------|---------------|------------|---------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 8 | | | | | | | | | | | | |
| Advanced | 1 | 0.3% | 3 | 0.9% | 7 | 1.8% | 2 | 0.5% | 1 | 0.3% | 5 | 1.3% |
| Mastery | 51 | 12.9% | 32 | 9.7% | 35 | 8.8% | 42 | 10.6% | 32 | 9.7% | 31 | 7.8% |
| Basic | 136 | 34.5% | 134 | 40.6% | 128 | 32.2% | 176 | 44.6% | 163 | 49.5% | 157 | 39.5% |
| Approaching Basic | 126 | 32.0% | 116 | 35.2% | 149 | 37.4% | 125 | 31.6% | 79 | 24.0% | 107 | 27.0% |
| Unsatisfactory | 80 | 20.3% | 45 | 13.8% | 79 | 19.8% | 50 | 12.7% | 54 | 16.4% | 97 | 24.4% |
| Total | 394 | 100.0% | 330 | 100.0% | 398 | 100.0% | 395 | 100.0% | 329 | 100.0% | 397 | 100.0% |

Schedule 8

**DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana**

**Graduation Exit Examination (GEE)
For the Year Ended June 30, 2011**

| District Achievement Level Results | English Language Arts | | | | | | Mathematics | | | | | |
|------------------------------------|-----------------------|---------------|------------|---------------|------------|---------------|-------------|---------------|------------|---------------|------------|---------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 10 & 11 | | | | | | | | | | | | |
| Advanced | 1 | 0.3% | 2 | 0.7% | 1 | 0.3% | 24 | 7.3% | 31 | 10.7% | 21 | 6.3% |
| Mastery | 28 | 8.4% | 42 | 14.5% | 16 | 4.7% | 43 | 13.0% | 38 | 13.1% | 22 | 6.5% |
| Basic | 159 | 47.9% | 119 | 41.0% | 125 | 37.1% | 141 | 42.7% | 114 | 39.3% | 140 | 41.7% |
| Approaching Basic | 88 | 26.5% | 75 | 25.9% | 130 | 38.8% | 54 | 16.4% | 49 | 16.9% | 82 | 24.4% |
| Unsatisfactory | 56 | 16.9% | 52 | 17.9% | 65 | 19.3% | 68 | 20.6% | 58 | 20.0% | 71 | 21.1% |
| Total | 332 | 100.0% | 290 | 100.0% | 337 | 100.0% | 330 | 100.0% | 290 | 100.0% | 336 | 100.0% |

| District Achievement Level Results | Science | | | | | | Social Studies | | | | | |
|------------------------------------|------------|---------------|------------|---------------|------------|---------------|----------------|---------------|------------|---------------|------------|---------------|
| | 2011 | | 2010 | | 2009 | | 2011 | | 2010 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 10 & 11 | | | | | | | | | | | | |
| Advanced | 7 | 2.6% | 4 | 1.3% | 5 | 1.9% | 0 | 0.0% | 1 | 0.3% | 1 | 0.4% |
| Mastery | 34 | 12.7% | 27 | 9.0% | 28 | 10.6% | 12 | 4.5% | 11 | 3.7% | 12 | 4.5% |
| Basic | 112 | 41.8% | 118 | 39.2% | 111 | 41.9% | 130 | 48.5% | 141 | 48.8% | 117 | 44.0% |
| Approaching Basic | 83 | 23.5% | 83 | 27.6% | 84 | 31.7% | 68 | 24.6% | 81 | 28.9% | 95 | 35.7% |
| Unsatisfactory | 52 | 18.4% | 69 | 22.9% | 37 | 14.0% | 60 | 22.4% | 67 | 22.3% | 41 | 15.4% |
| Total | 268 | 100.0% | 301 | 100.0% | 265 | 100.0% | 268 | 100.0% | 301 | 100.0% | 266 | 100.0% |

Schedule 9

DESOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

IOWA and ILEAP Tests
For the Year Ended June 30, 2011

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------------|-------------|---------------|------------|---------------|----------------|---------------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 3 | | | | | | | | |
| Advanced | 8 | 2.0% | 12 | 3.1% | 7 | 1.8% | 1 | 0.3% |
| Mastery | 47 | 12.0% | 60 | 15.3% | 60 | 15.3% | 50 | 12.7% |
| Basic | 152 | 38.7% | 144 | 36.6% | 132 | 33.6% | 164 | 41.7% |
| Approaching Basic | 100 | 25.4% | 78 | 19.8% | 115 | 29.3% | 86 | 21.9% |
| Unsatisfactory | 86 | 21.9% | 99 | 25.2% | 79 | 20.1% | 92 | 23.4% |
| Total | 393 | 100.0% | 393 | 100.0% | 393 | 100.0% | 393 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------------|-------------|---------------|------------|---------------|----------------|---------------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 5 | | | | | | | | |
| Advanced | 5 | 1.8% | 9 | 3.2% | 10 | 3.5% | 11 | 3.9% |
| Mastery | 45 | 15.9% | 19 | 6.7% | 51 | 18.0% | 48 | 17.0% |
| Basic | 138 | 48.8% | 143 | 50.5% | 136 | 48.1% | 153 | 54.1% |
| Approaching Basic | 64 | 22.6% | 54 | 19.1% | 65 | 23.0% | 66 | 19.8% |
| Unsatisfactory | 31 | 11.0% | 58 | 20.5% | 21 | 7.4% | 15 | 5.3% |
| Total | 283 | 100.0% | 283 | 100.0% | 283 | 100.0% | 283 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------------|-------------|---------------|------------|---------------|----------------|---------------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 6 | | | | | | | | |
| Advanced | 3 | 0.8% | 17 | 4.5% | 6 | 1.6% | 30 | 8.0% |
| Mastery | 47 | 12.5% | 35 | 9.3% | 54 | 14.3% | 46 | 12.2% |
| Basic | 187 | 49.6% | 189 | 50.1% | 145 | 38.5% | 199 | 52.8% |
| Approaching Basic | 96 | 25.5% | 76 | 20.7% | 120 | 31.8% | 71 | 18.8% |
| Unsatisfactory | 44 | 11.7% | 58 | 15.4% | 52 | 13.8% | 31 | 8.2% |
| Total | 377 | 100.0% | 377 | 100.0% | 377 | 100.0% | 377 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------------|-------------|---------------|------------|---------------|----------------|---------------|
| | 2009 | | 2009 | | 2009 | | 2009 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 7 | | | | | | | | |
| Advanced | 9 | 2.8% | 18 | 5.6% | 6 | 1.9% | 7 | 2.2% |
| Mastery | 46 | 14.4% | 28 | 8.8% | 38 | 11.9% | 58 | 18.2% |
| Basic | 159 | 49.8% | 146 | 45.8% | 122 | 38.4% | 182 | 57.2% |
| Approaching Basic | 76 | 23.8% | 71 | 22.3% | 108 | 34.0% | 52 | 16.4% |
| Unsatisfactory | 29 | 9.1% | 56 | 17.6% | 44 | 13.8% | 19 | 6.0% |
| Total | 319 | 100.0% | 319 | 100.0% | 318 | 100.0% | 318 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | |
|------------------------------------|-----------------------|---------------|-------------|---------------|
| | 2009 | | 2009 | |
| Students | Number | Percent | Number | Percent |
| Grade 9 | | | | |
| Advanced | 2 | 0.7% | 13 | 4.5% |
| Mastery | 28 | 9.0% | 39 | 13.4% |
| Basic | 154 | 53.5% | 129 | 44.5% |
| Approaching Basic | 81 | 28.1% | 53 | 18.3% |
| Unsatisfactory | 25 | 8.7% | 56 | 19.3% |
| Total | 288 | 100.0% | 290 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 3 | | | | | | | | |
| Advanced | 19 | 5.2% | 16 | 4.4% | 18 | 4.9% | 11 | 3.0% |
| Mastery | 70 | 19.1% | 64 | 17.5% | 52 | 14.2% | 52 | 14.2% |
| Basic | 149 | 40.7% | 149 | 40.7% | 152 | 41.5% | 177 | 48.4% |
| Approaching Basic | 72 | 19.7% | 88 | 24.0% | 104 | 28.4% | 81 | 22.1% |
| Unsatisfactory | 56 | 15.3% | 49 | 13.4% | 40 | 10.9% | 45 | 12.3% |
| Total | 366 | 100.0% | 366 | 100.0% | 366 | 100.0% | 366 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 5 | | | | | | | | |
| Advanced | 2 | 0.7% | 14 | 4.6% | 20 | 6.5% | 15 | 4.9% |
| Mastery | 49 | 16.0% | 46 | 15.0% | 77 | 25.1% | 37 | 12.1% |
| Basic | 125 | 40.7% | 141 | 45.9% | 108 | 35.2% | 164 | 53.4% |
| Approaching Basic | 84 | 27.4% | 49 | 16.0% | 72 | 23.5% | 51 | 16.6% |
| Unsatisfactory | 47 | 15.3% | 57 | 18.6% | 30 | 9.8% | 40 | 13.0% |
| Total | 307 | 100.0% | 307 | 100.0% | 307 | 100.0% | 307 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 6 | | | | | | | | |
| Advanced | 13 | 3.8% | 11 | 3.3% | 9 | 2.7% | 36 | 10.8% |
| Mastery | 57 | 17.1% | 46 | 13.7% | 55 | 16.5% | 58 | 17.4% |
| Basic | 162 | 48.5% | 188 | 56.1% | 167 | 50.0% | 172 | 51.6% |
| Approaching Basic | 75 | 22.5% | 59 | 17.6% | 80 | 24.0% | 50 | 15.0% |
| Unsatisfactory | 27 | 8.1% | 31 | 9.3% | 23 | 6.8% | 18 | 5.4% |
| Total | 384 | 100.0% | 335 | 100.0% | 334 | 100.0% | 334 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2010 | | 2010 | | 2010 | | 2010 | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 7 | | | | | | | | |
| Advanced | 17 | 4.7% | 14 | 3.8% | 4 | 1.1% | 11 | 3.0% |
| Mastery | 46 | 12.6% | 42 | 11.5% | 51 | 14.0% | 89 | 18.9% |
| Basic | 171 | 46.8% | 185 | 50.7% | 153 | 41.9% | 178 | 48.8% |
| Approaching Basic | 101 | 27.7% | 77 | 21.1% | 101 | 27.7% | 59 | 16.2% |
| Unsatisfactory | 30 | 8.2% | 47 | 12.9% | 56 | 15.3% | 46 | 13.2% |
| Total | 365 | 100.0% | 365 | 100.0% | 365 | 100.0% | 365 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | |
|------------------------------------|-----------------------|---------|-------------|---------|
| | 2010 | | 2010 | |
| | Number | Percent | Number | Percent |
| Grade 9 | | | | |
| Advanced | 1 | 0.3% | 13 | 4.0% |
| Mastery | 27 | 8.4% | 31 | 9.6% |
| Basic | 164 | 50.9% | 170 | 52.8% |
| Approaching Basic | 106 | 32.9% | 58 | 18.0% |
| Unsatisfactory | 24 | 7.5% | 50 | 15.5% |
| Total | 322 | 100.0% | 322 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 3 | | | | | | | | |
| Advanced | 14 | 4.0% | 26 | 7.4% | 20 | 5.7% | 1 | 0.3% |
| Mastery | 68 | 19.3% | 50 | 14.2% | 64 | 18.2% | 50 | 14.2% |
| Basic | 143 | 40.5% | 149 | 42.2% | 135 | 38.4% | 155 | 44.0% |
| Approaching Basic | 77 | 21.8% | 73 | 20.7% | 81 | 23.0% | 79 | 22.4% |
| Unsatisfactory | 51 | 14.4% | 55 | 15.6% | 52 | 14.8% | 67 | 19.0% |
| Total | 353 | 100.0% | 353 | 100.0% | 352 | 100.0% | 352 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 5 | | | | | | | | |
| Advanced | 5 | 1.6% | 11 | 3.6% | 25 | 8.2% | 15 | 4.9% |
| Mastery | 44 | 14.4% | 30 | 9.8% | 66 | 21.6% | 54 | 17.6% |
| Basic | 130 | 42.5% | 155 | 50.8% | 104 | 34.0% | 149 | 48.7% |
| Approaching Basic | 82 | 26.8% | 39 | 12.8% | 74 | 24.2% | 50 | 16.3% |
| Unsatisfactory | 45 | 14.7% | 70 | 23.0% | 37 | 12.1% | 38 | 12.4% |
| Total | 306 | 100.0% | 305 | 100.0% | 306 | 100.0% | 306 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 6 | | | | | | | | |
| Advanced | 2 | 0.5% | 20 | 5.5% | 10 | 2.7% | 37 | 10.2% |
| Mastery | 47 | 12.9% | 36 | 9.9% | 41 | 11.3% | 57 | 15.7% |
| Basic | 169 | 46.4% | 153 | 42.0% | 158 | 43.4% | 182 | 50.0% |
| Approaching Basic | 106 | 29.1% | 73 | 20.1% | 126 | 34.6% | 61 | 16.8% |
| Unsatisfactory | 40 | 11.0% | 82 | 22.5% | 29 | 8.0% | 27 | 7.4% |
| Total | 364 | 100.0% | 364 | 100.0% | 364 | 100.0% | 364 | 100.0% |

| District Achievement Level Results | English Language Arts | | Mathematics | | Science | | Social Studies | |
|------------------------------------|-----------------------|---------|-------------|---------|---------|---------|----------------|---------|
| | 2011 | | 2011 | | 2011 | | 2011 | |
| Students | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Grade 7 | | | | | | | | |
| Advanced | 25 | 7.3% | 24 | 7.1% | 10 | 2.9% | 25 | 7.3% |
| Mastery | 54 | 15.8% | 38 | 11.2% | 55 | 16.1% | 70 | 20.5% |
| Basic | 160 | 46.9% | 168 | 49.4% | 159 | 46.6% | 166 | 48.7% |
| Approaching Basic | 86 | 25.2% | 73 | 21.5% | 99 | 29.0% | 64 | 19.8% |
| Unsatisfactory | 16 | 4.7% | 37 | 10.9% | 18 | 5.3% | 26 | 7.6% |
| Total | 341 | 100.0% | 340 | 100.0% | 341 | 100.0% | 341 | 100.0% |

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

* In 2011 Grade 9 did not take the ILEAP Test



DeSoto Parish School Board

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



WALTER C. LEE
Superintendent

December 2, 2011

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

RE: Corrective Action Plan – Schedule of Findings and
Questioned Cost – OMB Circular A-133 Reports

Dear Board Members:

We have reviewed the Schedule of Findings and Questioned Cost – OMB Circular A-133 Reports for FY 2010-11 that ended June 30, 2011, from the Board's independent auditor and offer the following corrective action plan.

Reference # and title: 11-F1 Eligibility

The DeSoto Parish School Board distributes the balance of the Title I grant funds not earmarked for (1) Parental Involvement, (2) School Choice/Supplemental Services, or (3) other Title I required set aside requirements to all school using a weighted formula of free/reduced students as a percentage of total enrollment.

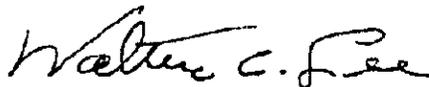
The audit states that for FY 2010-11 this formula incorrectly included preschool children in the free/reduced child count. The Director of Federal Programs Director, who is responsible for this calculation and distribution of funds, has been notified of the violation and has made changes so that future distributions will not include Pre-kindergarten students. Future reports for free/reduced students will show a breakdown for all K-12 Students, Pre-kindergarten Students, and a Total for all students. Also, future Title I school allocations will be reviewed and approved by the Grants Manager and/or the Director of Business Services to insure that we are excluding Pre-kindergarten students from the calculation.

Reference # and title: 11-F2 Matching, Level of Effort and Earmarking

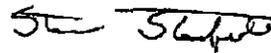
The DeSoto Parish School Board received four Individuals with Disabilities Education Act (IDEA) grants from the Federal government in FY 2010-11 totaling \$2,544,185. Part of the IDEA requires the Board to set aside some of these monies for Early Intervening Services and for Private Schools.

School Board Members
December 2, 2011
Page 2 of 2

The audit states expenditures for Early Intervening Services (EIS) exceeded the 15% maximum. The Business Office investigated and discovered that the clerical error occurred when requesting reimbursement from the State Department of Education. One of the workers paid with IDEA should have been coded and requested using 11-611 (Instruction – Age 3 thru 21) instead of 11-EIS (Instruction – Early Intervening Services). If we are allowed to correct this mistake, expenditures for EIS would have been \$366,988 which is under the \$381,629 allowed. The Supervisor of Special Education Services was notified of this violation and has made changes to monitor future expenditures. The Business Office has also placed an additional set of accounts for EIS to post budgets and expenditures to so variances and corrections can be made before the final request for reimbursement is made.

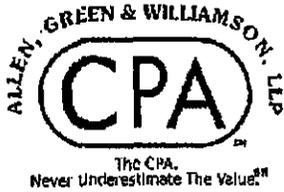


Walter C. Lee, Superintendent
DeSoto Parish Schools



Steven Stanfield, Director of
Business Services

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



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

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

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jannicia Mercer, CPA
Cindy Thomason, CPA

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

Communication with Audit Committee and/or the Board

November 19, 2011

To the Board Members
Desoto Parish School Board
Mansfield, Louisiana

We have audited 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, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter to you dated May 4, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Desoto Parish School Board are described in Note 1 to the financial statements. GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* was implemented for the year ended June 30, 2011. The existing policies were not changed during the year ended June 30, 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the incurred but not reported liability for medical and dental self insurance is based on monthly claims paid and is estimated at three months expenses. We evaluated the key factors and assumptions used to develop the incurred but not reported liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation expense is based on management's estimate of how long the asset is expected to meet service demands. We evaluated the key factors and assumptions used to calculate depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of compensated absences liability is based on the benefits accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. We evaluated the key factors and assumptions used to calculate the compensated absences liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of other post retirement benefits asset is based on an actuarial valuation performed by a third party actuarial firm based on the types of benefits provided to retirees at the time of the evaluation. We evaluated the key factors and assumptions used to calculate the other post retirement benefits asset in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to communicate all known and likely misstatements identified during the audit other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 19, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Desoto Parish School Board's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management and the members of Desoto Parish School Board and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2011

Index

ALG-CX-12.2: Audit Difference Evaluation Form

Governmental Unit: DeSoto Parish School Board

Financial Statement Date: 6/30/2011

Completed by: KB

Date: 9/17/11

Opinion Unit: General Fund

A Listing of Known Audit Differences Over: \$500.00

Instructions: This form should be used to accumulate known audit differences (AD). All known and likely misstatements greater than the amount considered trivial (documented at Step 5 of ALG-CX-2.1) should be listed. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in the context of individual opinion units and conclude on whether they materially misstate the financial statements of an opinion unit taken as a whole. Thus, a separate "Audit Difference Evaluation Form" should be prepared for each opinion unit. The notes following the table provide explanations and a listing of qualitative considerations in evaluating materiality. The form allows for quantifying the effect of misstatements, using both the rollover and iron curtain methods, as appropriate. The auditor should review the guidance beginning at paragraph 1011.36 before completing this form.

| Description (Nature) of Audit Difference (AD) | Known (K) or Likely (L) | Cause | Work-paper Ref. | Financial Statement Effect—Amount of Over (Under) Statement of: | | | | Change in Fund Balance/ Net Assets | | |
|--|-------------------------|---------|-----------------|---|-------------------|--------------|------------|------------------------------------|------------|-----------|
| | | | | Total Assets | Total Liabilities | Working Cap. | Equity | | Revenues | Expen. |
| Advalorem per books more than confirmed | Known | Unknown | 10-6a | 4,645 | | | 4,645 | 4,645 | 4,645 | |
| Difference in calculation of sales tax commission | Likely | Unknown | 10-7a | | | | 1,542 | 1,542 | | |
| Total | | | | 4,645 | 0 | 0 | 4,645 | 6,187 | 1,542 | 4,645 |
| Less audit adjustments subsequently booked | | | | | | | | | | |
| Net unadjusted AD—current year (iron curtain method) | | | | 4,645 | 0 | 0 | 4,645 | 6,187 | 1,542 | 4,645 |
| Effect of unadjusted AD—prior years | | | | 4,645 | 0 | 0 | 4,645 | 6,187 | 1,542 | 4,645 |
| Combined current year and prior year AD (rollover method) | | | | 19,038,594 | | | 14,154,918 | 78,699,436 | 76,687,732 | 2,449,784 |
| Financial statement caption totals | | | | 0.02% | 0.00% | 0.00% | 0.03% | 0.01% | 0.00% | 0.19% |
| Current year AD as % of F/S captions (iron curtain method) | | | | 0.02% | 0.00% | 0.00% | 0.03% | 0.01% | 0.00% | 0.19% |
| Current and prior year AD as % of F/S captions (rollover method) | | | | 0.02% | 0.00% | 0.00% | 0.03% | 0.01% | 0.00% | 0.19% |

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, do do not cause the financial statements of opinion unit taken as a whole to be materially misstated.

ALG-CX-12.2: Audit Difference Evaluation Form

Governmental Unit: DeSoto Parish School Board Financial Statement Date: 6/30/2011

Completed by: KB Date: 9/17/11

Opinion Unit: Government Wide A Listing of Known Audit Differences Over: \$500.00

Instructions: This form should be used to accumulate known audit differences (AD). All known and likely misstatements greater than the amount considered trivial (documented at Step 5 of ALG-CX-2.1) should be listed. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in the context of individual opinion units and conclude on whether they materially misstate the financial statements of an opinion unit taken as a whole. Thus, a separate "Audit Difference Evaluation Form" should be prepared for each opinion unit. The notes following the table provide explanations and a listing of qualitative considerations in evaluating materiality. The form allows for quantifying the effect of misstatements, using both the rollover and iron curtain methods, as appropriate. The auditor should review the guidance beginning at paragraph 1011.36 before completing this form.

| Description (Nature) of Audit Difference (AD) or Revenue more than confirmed | Known (K) or Likely (L) | Cause | Work-paper Ref. | Financial Statement Effect—Amount of Over (Under) Statement of: | | | | | Change in Fund Balance/ Net Assets | |
|--|-------------------------|---------|-----------------|---|-------------------|--------------|-------------|------------|------------------------------------|-------------|
| | | | | Total Assets | Total Liabilities | Working Cap. | Equity | Revenues | | Expen. |
| Title 11 Revenue more than confirmed | Known | Unknown | 10-4 | | | | 511 | 511 | | 511 |
| Acvalorem per books greater than confirmed | Likely | Unknown | 10-6a | 4,645 | | | 4,645 | 4,645 | | 4,645 |
| Difference in calculation of sales tax commission | Likely | Unknown | 10-7a | | | | 0 | 1,542 | 1,542 | |
| Legal liability from attorney response from Hammond & Sills | Likely | Unknown | G7w-1 | | -72,500 | | 72,500 | | -72,500 | 72,500 |
| Total | | | | 4,645 | -72,500 | 0 | 77,656 | 6,698 | -70,958 | 77,656 |
| Less audit adjustments subsequently booked | | | | | | | | | | |
| Net unadjusted AD—current year (iron curtain method) | | | | 4,645 | -72,500 | 0 | 77,656 | 6,698 | -70,958 | 77,656 |
| Effect of unadjusted AD—prior years | | | | 4,645 | -72,500 | 0 | 77,656 | 6,698 | -70,958 | 77,656 |
| Combined current year and prior year AD (rollover method) | | | | 188,195,866 | -145,000 | 0 | 153,195,866 | 12,850,932 | -132,149,022 | 151,046,844 |
| Financial statement caption totals | | | | 0.00% | 0.00% | 0.00% | 0.06% | 0.01% | -0.07% | 0.23% |
| Current year AD as % of FIS captions (iron curtain method) | | | | 0.00% | 0.00% | 0.00% | 0.06% | 0.01% | -0.07% | 0.23% |
| Current and prior year AD as % of FIS captions (rollover method) | | | | 0.00% | 0.00% | 0.00% | 0.06% | 0.01% | -0.07% | 0.23% |