

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Comprehensive Annual Financial Report

TABLE OF CONTENTS, CONTINUED

	<u>Table</u>	<u>Page(s)</u>
<b>STATISTICAL SECTION</b>		
<b>(UNAUDITED - NOT COVERED BY AUDIT REPORT)</b>		
General Expenditures by Function - All Governmental Fund Types	1	61
General Revenues by Source - All Governmental Fund Types	2	62
Property Tax Levies and Collections	3	63
Assessed and Estimated Actual Value of Taxable Property	4	64
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	5	65
Sales and Use Tax Levies and Collections - All Governments	6	66
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	7	67
Schedule of Direct, Overlapping, and Underlying Bonded Debt	8	68
Computation of Legal Debt Margin	9	69
Ratio of Annual Debt Service Expenditure for General Bonded Debt to Total General Expenditures	10	70
Demographic Statistics	11	71
Property Value and Bank Deposits	12	72
Principal Taxpayers	13	73
Attendance Data	14	74
Schedule of Insurance in Force	15	75
Miscellaneous Statistical Data	16	76

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Comprehensive Annual Financial Report

TABLE OF CONTENTS, CONTINUED

	<u>Exhibit</u>	<u>Page(s)</u>
Even Start - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-13	48
Charter Schools - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-14	49
Goals 2000 - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-15	50
Debt Service Funds: Combining Balance Sheet	C-1	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	52
Capital Projects Funds: Combining Balance Sheet	D-1	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	54
Fiduciary Fund - School Activity Agency Fund: Comparative Balance Sheets	E-1	55
Statement of Changes in Assets and Liabilities	E-2	56
General Fixed Assets Account Group: Schedule of General Fixed Assets - By Sources	F-1	57
Schedule of Changes in General Fixed Assets - By Function and Activity	F-2	58
Schedule of General Fixed Assets - By Function and Activity	F-3	59
General Long-Term Debt Account Group - Schedule of Changes in Long-Term Debt	G-1	60

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Comprehensive Annual Financial Report

TABLE OF CONTENTS, CONTINUED

	<u>Exhibit</u>	<u>Page(s)</u>
Special Revenue Funds:		
Combining Balance Sheet	B-1	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	37
Educational Consolidation and Improvement Act - Title I - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-3	38
Educational Consolidation and Improvement Act - Title VI - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-4	39
Education for Economic Security Act - Title II - Public Law 98-377 - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-5	40
School Lunch Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-6	41
7 Mill Maintenance Tax - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-7	42
Special Education - P.L. 89-313 / ESEP, P.L. 94-142 / IDEP Part B, and P.L. 99-457 / IDEP Preschool - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-8	43
Head Start - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-9	44
Adult Basic Education - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-10	45
Vocational Education - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-11	46
Starting Points - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-12	47

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

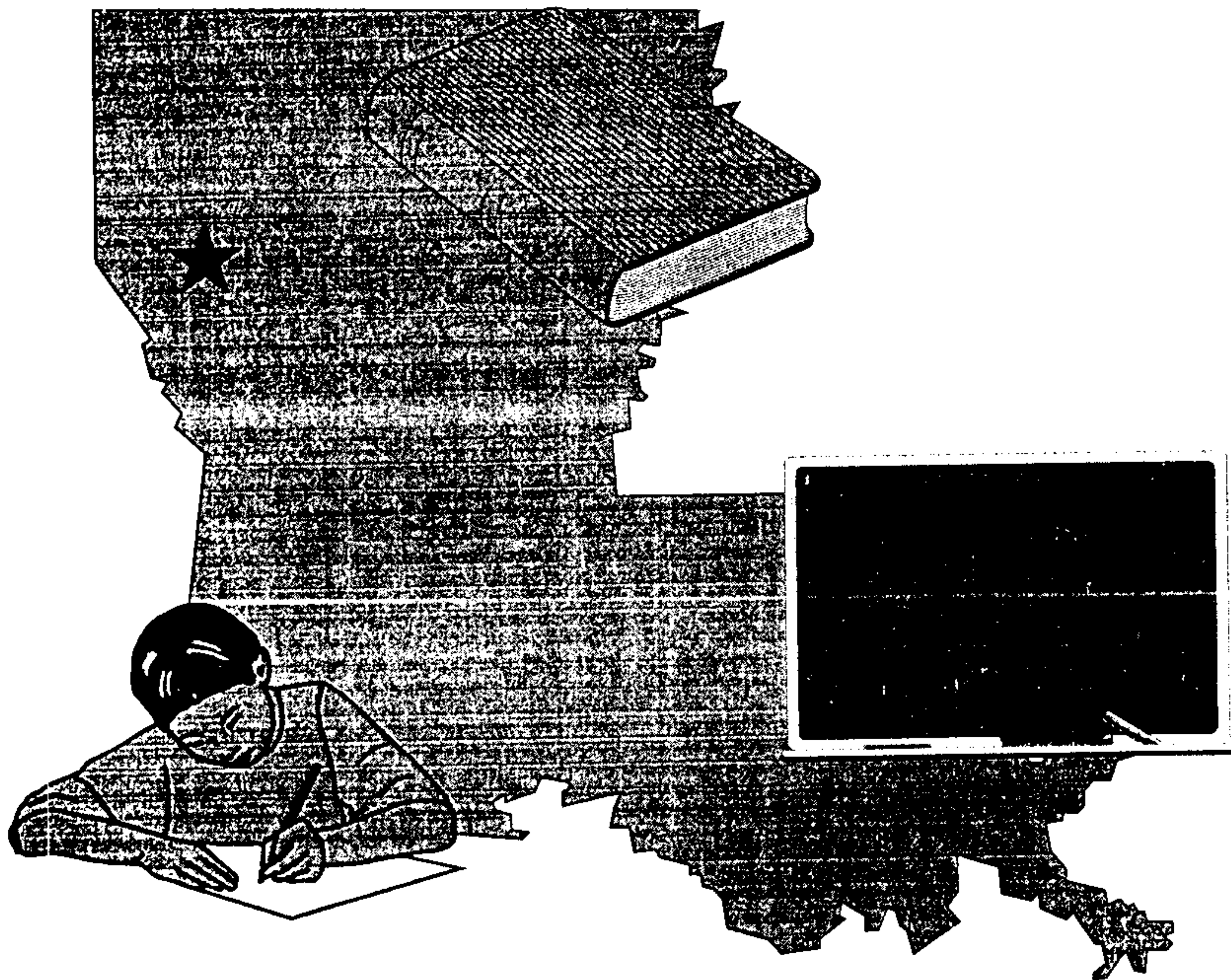
Comprehensive Annual Financial Report  
Year Ended June 30, 1996

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>		
Transmittal Letter		vi-xv
Certificate of Achievement for Excellence in Financial Reporting		xvi
Certificate of Excellence in Financial Reporting		xvii
Organizational Structure		xviii
Elected Officials		xix
Selected Administrative Officials		xx
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		1
Combined Financial Statements - Overview ("Liftable" General Purpose Financial Statements):		
Combined Balance Sheet - All Fund Types and Account Groups	1	2
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	2	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds	3	4
Notes to Combined Financial Statements		5-32
Supplemental Statements And Schedules - Combining, Individual Fund, and Account Group Statements and Schedules:		
Governmental Funds:		
General Fund:		
Comparative Balance Sheets	A-1	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	A-2	34-35



**Comprehensive  
Annual Financial Report  
of the  
DeSoto Parish School Board  
Mansfield, Louisiana**



**For The Year Ended June 30, 1996**

# INTRODUCTION SECTION

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

**(F) Encumbrances**

Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities. Encumbrances at June 30, 1996, consist primarily of commitments to purchase school buses and those associated with construction contracts.

**(G) Cash**

The School Board maintains a pooled cash account for all funds of the School Board. The asset balance and interest income is allocated to each respective individual fund monthly based on their respective fund balances at month end.

**(H) Investments**

Investments are stated at cost or amortized cost, which approximates market. The School Board maintains investments separately for each fund.

Under state law, the School Board may invest in direct United States Treasury obligations, indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government), indebtedness issued or guaranteed by federally sponsored U.S. government agencies, and may deposit its funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana or mutual or trust fund institutions registered with the Securities and Exchange Commission.

**(I) Inventories**

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 by the School Lunch Fund when received; however, inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost (first-in, first-out), and commodities are assigned values based on information provided by the United States Department of Agriculture.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Debt Service Funds

Combining Balance Sheet

June 30, 1996  
(with comparative totals for June 30, 1995)

Assets	School Districts										Totals	
	No. 1	No. 2 1980 Issue	No. 2 1987 Issue	No. 2 1992 Issue	No. 3 1988 Issue	No. 3 1990 Issue	No. 3 1994 Issue	No. 4	No. 5	1996	1995	
Cash		16,238	32,543	498,966	43,559	18,159	1,557	338,641	70,534	1,189,874	572,009	
Certificates of deposit	\$ 297,500	70,000	315,500	29,000	54,000	—	17,000	1,130,000	—	1,913,000	2,337,000	
Total assets	\$ 467,177	86,238	348,043	527,966	97,559	18,159	18,557	1,468,641	70,534	3,102,874	2,909,009	
<u>Liability and Fund Balances</u>												
Liability - matured bonds and interest payable	\$ —	170	—	—	—	—	—	—	—	170	2,010	
Fund balances - reserved for debt service	467,177	86,068	348,043	527,966	97,559	18,159	18,557	1,468,641	70,534	3,102,704	2,906,999	
Total liability and fund balances	\$ 467,177	86,238	348,043	527,966	97,559	18,159	18,557	1,468,641	70,534	3,102,874	2,909,009	

See accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Fixed Assets Account Group

Schedule of General Fixed Assets - By Sources

June 30, 1996  
(with comparative totals for June 30, 1995)

	<u>1996</u>	<u>1995</u>
General fixed assets:		
Land	\$ 1,207,952	1,222,525
Buildings and improvements	51,664,500	52,161,090
Furniture and equipment	4,738,411	4,188,149
Transportation equipment	<u>618,676</u>	<u>287,964</u>
Total general fixed assets	\$ <u>58,229,539</u>	<u>57,859,728</u>
Investment in general fixed assets:		
Capital Projects Funds	\$ 53,486,959	53,923,299
General Fund	2,190,143	1,549,568
School Lunch Fund	502,958	497,151
Federal aid	1,545,794	1,400,208
State aid	173,096	138,993
Gifts and donations	308,770	316,582
School Activity Agency Funds	<u>21,819</u>	<u>33,927</u>
Total investment in general fixed assets	\$ <u>58,229,539</u>	<u>57,859,728</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Special Education  
P.L. 89-313 / ESEP  
P.L. 94-142 / IDEP Part B  
P.L. 99-457 / IDEP Preschool

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues - federal sources	\$ <u>264,497</u>	<u>246,998</u>	<u>(17,499)</u>	<u>210,166</u>
Expenditures - current:				
Instruction - special programs	132,197	123,470	8,727	99,314
Support services:				
Student services	2,150	700	1,450	700
Instructional staff support	107,198	101,236	5,962	92,611
General administration	500	—	500	—
Plant services	13,519	12,970	549	9,378
Student transportation services	<u>2,700</u>	<u>2,865</u>	<u>(165)</u>	<u>1,504</u>
Total expenditures	<u>258,264</u>	<u>241,241</u>	<u>17,023</u>	<u>203,507</u>
Excess of revenues over expenditures	6,233	5,757	(476)	6,659
Other financing uses - operating transfers out	<u>(6,233)</u>	<u>(5,757)</u>	<u>476</u>	<u>(6,659)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Head Start

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	<u>1996</u>		Variance Favorable (Unfavorable)	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues - federal sources	\$ 47,917	48,253	336	44,704
Expenditures - current - instruction - special programs	<u>47,917</u>	<u>48,253</u>	<u>(336)</u>	<u>44,704</u>
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Adult Basic Education

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues - federal sources	\$ <u>70,249</u>	<u>69,335</u>	<u>(914)</u>	<u>64,686</u>
Expenditures - current:				
Instruction - adult and continuing education programs	67,294	66,370	924	62,198
Support services - instructional staff support	<u>1,034</u>	<u>1,033</u>	<u>1</u>	<u>1,000</u>
Total expenditures	<u>68,328</u>	<u>67,403</u>	<u>925</u>	<u>63,198</u>
Excess of revenues over expenditures	1,921	1,932	11	1,488
Other financing uses - operating transfers out	<u>(1,921)</u>	<u>(1,932)</u>	<u>(11)</u>	<u>(1,488)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Vocational Education

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues - federal sources	\$ <u>77,083</u>	<u>74,853</u>	(2,230)	<u>80,615</u>
Expenditures - current:				
Instruction - adult and continuing education programs	58,497	56,682	1,815	65,445
Support services:				
Student services	5,944	5,940	4	5,785
Instructional staff support	<u>12,500</u>	<u>12,165</u>	<u>335</u>	<u>9,385</u>
Total expenditures	<u>76,941</u>	<u>74,787</u>	<u>2,154</u>	<u>80,615</u>
Excess of revenues over expenditures	142	66	(76)	—
Other financing uses - operating transfers out	<u>(142)</u>	<u>(66)</u>	<u>76</u>	<u>—</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Starting Points

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	<u>Budget</u>	<u>Actual</u>		
Revenues - federal sources	\$ 42,965	42,854	(111)	41,264
Expenditures - current - instruction - special programs	<u>41,854</u>	<u>41,746</u>	<u>108</u>	<u>40,551</u>
Excess of revenues over expenditures	1,111	1,108	(3)	713
Other financing sources - operating transfers out	<u>(1,111)</u>	<u>(1,108)</u>	<u>3</u>	<u>(713)</u>
Excess of revenues over expenditures and other sources	—	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Even Start

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>1995</u>
Revenues - federal sources	\$ 75,000	74,752	(248)	81,196
Expenditures - current - instruction - special programs	<u>75,000</u>	<u>74,752</u>	<u>248</u>	<u>81,196</u>
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Charter Schools

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues - federal sources	\$ 20,000	211	(19,798)
Expenditures - current – support services - central services	<u>19,445</u>	<u>205</u>	<u>19,240</u>
Excess of revenues over expenditures	555	6	(549)
Other financing uses - operating transfers out	<u>(555)</u>	<u>(6)</u>	<u>549</u>
Excess of revenues over expenditures and other uses	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

School Lunch Fund

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues:				
Local sources:				
Food sales	\$ 231,837	245,432	13,595	233,993
Interest earnings	17,632	26,623	8,991	22,874
State sources:				
State equalization	381,064	381,064	—	381,064
Other	—	—	—	31,330
Federal sources	<u>1,355,484</u>	<u>1,352,048</u>	<u>(3,436)</u>	<u>1,330,110</u>
Total revenues	<u>1,986,017</u>	<u>2,005,167</u>	<u>19,150</u>	<u>1,999,371</u>
Expenditures - current - food services:				
Food costs	777,965	797,351	(19,386)	768,331
Salaries and related benefits	1,219,712	1,197,314	22,398	1,195,574
Materials and supplies	60,000	63,994	(3,994)	55,958
Equipment	29,100	27,977	1,123	28,968
Other	<u>84,800</u>	<u>83,535</u>	<u>1,265</u>	<u>59,576</u>
Total expenditures	<u>2,171,577</u>	<u>2,170,171</u>	<u>1,406</u>	<u>2,108,407</u>
Excess of expenditures over revenues	(185,560)	(165,004)	20,556	(109,036)
Other financing sources - operating transfers in	<u>221,126</u>	<u>264,092</u>	<u>42,966</u>	<u>179,003</u>
Excess of revenues over expenditures and other sources	35,566	99,088	63,522	69,967
Fund balance at beginning of year	<u>624,163</u>	<u>624,163</u>	—	<u>554,196</u>
Fund balance at end of year	\$ <u><u>659,729</u></u>	<u><u>723,251</u></u>	<u><u>63,522</u></u>	<u><u>624,163</u></u>

See accompanying independent auditors' report.

## DEBT SERVICE FUNDS

---

---

---

School Districts No. 1, No. 2 (1980 Issue), No. 2 (1987 Issue), No. 2 (1992 Issue), No. 3 (1988 Issue), No. 3 (1990 Issue), No. 3 (1994 Issue), No. 4, and No. 5 Funds — The school district Debt Service Funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands 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  
Mansfield, Louisiana

Special Revenue Fund

Education for Economic Security Act  
Title II - Public Law 98-377

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues - federal sources	\$ 37,683	34,663	(3,020)	34,739
Expenditures - current - support services - instructional staff support	<u>36,635</u>	<u>33,699</u>	<u>2,936</u>	<u>34,059</u>
Excess of revenues over expenditures	1,048	964	(84)	680
Other financing uses - operating transfers out	<u>(1,048)</u>	<u>(964)</u>	<u>84</u>	<u>(680)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	School Districts										Totals			
	No. 1	No. 2	No. 2	No. 2	No. 2	No. 3	No. 3	No. 3	No. 3	No. 3	No. 4	No. 5	1996	1995
	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue				
Revenues:														
Local sources:														
Taxes:														
Ad valorem	\$ 320,304	97,234	38,884	641,578	190,944	27,278	683,315	129,993	2,129,530	2,501,313				
Sales and use	194,547	—	133,028	—	31,651	—	827,913	80,011	1,288,953	979,269				
Interest earnings	17,934	4,731	19,716	25,532	2,593	680	52,233	1,271	127,019	101,967				
State sources - other	—	—	—	29,837	—	—	—	—	29,837	30,765				
Total revenues	<u>532,785</u>	<u>101,965</u>	<u>191,628</u>	<u>696,947</u>	<u>225,188</u>	<u>27,958</u>	<u>1,563,461</u>	<u>211,275</u>	<u>3,575,339</u>	<u>3,613,314</u>				
Expenditures:														
Current - support services - general administration	14,126	3,481	3,158	22,975	7,313	985	35,517	5,747	93,591	108,672				
Debt service:														
Advance refunding escrow	—	—	—	—	—	—	—	15,135	15,135	6,629				
Principal retirement	235,000	100,000	70,000	365,000	95,000	5,000	570,000	60,000	1,507,000	1,512,000				
Interest and bank charges	283,659	24,495	118,470	336,111	122,875	19,271	711,791	130,393	1,763,908	1,872,073				
Total expenditures	<u>532,785</u>	<u>127,976</u>	<u>191,628</u>	<u>724,086</u>	<u>225,188</u>	<u>24,132</u>	<u>1,317,308</u>	<u>211,275</u>	<u>3,379,634</u>	<u>3,499,374</u>				
Excess (deficiency) of revenues over expenditures	—	(26,011)	—	(27,139)	—	2,702	246,153	—	195,705	113,940				
Other financing sources (uses):														
Proceeds of refunding bonds	—	—	—	—	—	—	—	1,480,000	1,480,000	1,785,000				
Payment to refunded bond escrow agent	—	—	—	—	—	—	—	(1,480,000)	(1,480,000)	(1,785,000)				
Total other financing sources (uses)	—	—	—	—	—	—	—	—	—	—				
Excess (deficiency) of revenues and other sources over expenditures and other uses	—	(26,011)	—	(27,139)	—	2,702	246,153	—	195,705	113,940				
Fund balances at beginning of year	467,177	112,079	348,043	555,105	97,559	18,159	1,222,488	70,534	2,906,999	2,793,052				
Fund balances at end of year	<u>\$ 467,177</u>	<u>86,068</u>	<u>348,043</u>	<u>527,966</u>	<u>97,559</u>	<u>18,159</u>	<u>1,468,641</u>	<u>70,534</u>	<u>3,102,704</u>	<u>2,906,999</u>				

See accompanying independent auditors' report.



## CAPITAL PROJECTS FUNDS

---

---

---

School Districts No. 1, No. 2, No. 3, No. 4, and No. 5 Funds — The school district Capital Projects Funds account for financial resources to acquire, construct, and improve public school facilities in the respective districts.

---

---

---

---

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Capital Projects Funds

Combining Balance Sheet

June 30, 1996  
(with comparative totals for June 30, 1995)

Assets	School Districts					Totals	
	No. 1	No. 2	No. 3	No. 4	No. 5	1996	1995
Cash	\$ 81,851	292,765	114,008	532,814	98,214	1,119,652	1,609,367
Certificates of deposit							100,000
Total assets	\$ 81,851	292,765	114,008	532,814	98,214	1,119,652	1,709,367
<u>Liability and Fund Balances</u>							
Liability - accounts payable	\$ 407	6,836	269	18,473		25,985	223,179
Fund balances:	38,540	71,704	9,836	4,450	785	125,315	422,074
Reserved for encumbrances							1,064,114
Unreserved - designated for specific projects	42,904	214,225	103,903	509,891	97,429	968,352	1,486,188
Total fund balances	81,444	285,929	113,739	514,341	98,214	1,093,667	
Total liability and fund balances	\$ 81,851	292,765	114,008	532,814	98,214	1,119,652	1,709,367

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	School Districts					Totals	
	No. 1	No. 2	No. 3	No. 4	No. 5	1996	1995
Revenues - local sources:							
Sales and use taxes	\$ 90,940	318,399	73,231	—	12,772	495,342	220,233
Interest earnings	7,810	3,528	5,354	38,598	4,958	60,248	133,746
Rentals, leases, and royalties							7,500
Total revenues	<u>98,750</u>	<u>321,927</u>	<u>78,585</u>	<u>38,598</u>	<u>17,730</u>	<u>555,590</u>	<u>361,479</u>
Expenditures:							
Capital outlay - facilities acquisition and construction	166,721	223,816	148,856	395,202	22,291	956,886	2,618,223
Debt service - bond issuance costs							16,555
Total expenditures	<u>166,721</u>	<u>223,816</u>	<u>148,856</u>	<u>395,202</u>	<u>22,291</u>	<u>956,886</u>	<u>2,634,778</u>
Excess (deficiency) of revenues over expenditures	(67,971)	98,111	(70,271)	(356,604)	(4,561)	(401,296)	(2,273,299)
Total other financing sources - proceeds from sale of bonds						8,775	300,000
Excess (deficiency) of revenues over expenditures and other sources	(67,971)	98,111	(70,271)	(347,829)	(4,561)	(392,521)	(1,973,299)
Fund balances at beginning of year	149,415	187,818	184,010	862,170	102,775	1,486,188	3,459,487
Fund balances at end of year	<u>\$ 81,444</u>	<u>285,929</u>	<u>113,739</u>	<u>514,341</u>	<u>98,214</u>	<u>1,093,667</u>	<u>1,486,188</u>

See accompanying independent auditors' report.

## FIDUCIARY FUND — SCHOOL ACTIVITY AGENCY FUND

---

---

---

The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school or school-related purposes. The school activity accounts are classified as an agency fund, and the School Board's responsibility for these accounts is fiduciary in nature. Each school accounts for its individual student body organizations. The revenues of these accounts consist primarily of fees, fund-raising projects, and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principals.

---

---

---



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Fiduciary Fund - School Activity Agency Fund

Comparative Balance Sheets

June 30, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash	\$ 201,909	146,543
Certificates of deposit	<u>25,000</u>	<u>25,000</u>
Total assets	\$ <u>226,909</u>	<u>171,543</u>
<u>Liabilities</u>		
Accounts payable	\$ 13,261	16,157
Deposits due others	<u>213,648</u>	<u>155,386</u>
Total liabilities	\$ <u>226,909</u>	<u>171,543</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Fiduciary Fund - School Activity Agency Fund

Statement of Changes in Assets and Liabilities

Year ended June 30, 1996

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1996</u>
<u>Assets</u>				
Cash	\$ 146,543	872,139	816,773	201,909
Certificates of deposit	<u>25,000</u>	<u>—</u>	<u>—</u>	<u>25,000</u>
Total assets	\$ <u>171,543</u>	<u>872,139</u>	<u>816,773</u>	<u>226,909</u>
<u>Liabilities</u>				
Accounts payable	\$ 16,157	13,261	16,157	13,261
Deposits due others	<u>155,386</u>	<u>858,878</u>	<u>800,616</u>	<u>213,648</u>
Total liabilities	\$ <u>171,543</u>	<u>872,139</u>	<u>816,773</u>	<u>226,909</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

The foregoing actuarial assumptions are based upon the presumption that the plans will continue. Were the plans to terminate, different actuarial assumptions and other factors might be applicable in determining the pension benefit obligations.

Significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the pension benefit obligations. The unfunded pension benefit obligation of the Teachers' Plan is to be amortized over a forty-year period.

**(C) Contribution Requirements and Contributions Made**

The School Board's funding policy for all plans provides for contributions to be made by the School Board and by the individual employees participating in the plans as described in (A) above.

The following information has been obtained from the latest actuarial information of the plans which was June 30, 1995, except for individual employer (School Board) amounts which are estimated based on the School Board's payroll as a percentage of the total estimated payroll:

	Teachers' Plan (Includes Plan B)	School Employees' Plan
Actuarially determined employer's contribution for 1995 for all employers	\$ 395,945,601	10,526,277
Total estimated payroll	2,199,137,031	205,467,129
Estimated actuarially determined employer's contribution for the School Board	2,077,223	98,297
School Board covered payroll	11,537,186	1,918,703
Percentage of School Board contribution requirement to total contribution requirement	.52%	.93
Employer contributions	\$ 1,861,558	115,135
Employee contributions	904,978	121,840
Percentage of employer contributions to total payroll	16.1%	6.0
Percentage of employee contributions to total payroll	7.8%	6.4

**Trend Information**

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits. Ten-year historical trend information is available in the Teachers' Retirement System of Louisiana and Louisiana School Employees' Retirement System separately issued annual reports. Additional information includes

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Goals 2000

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues - federal sources	\$ <u>71,536</u>	<u>57,655</u>	<u>(13,881)</u>
Expenditures - current:			
Instruction - special programs	35,837	35,837	—
Support services:			
Instructional staff support	33,035	19,505	13,530
Plant services	<u>901</u>	<u>901</u>	<u>—</u>
Total expenditures	<u>69,773</u>	<u>56,243</u>	<u>13,530</u>
Excess of revenues over expenditures	1,763	1,412	(351)
Other financing uses - operating transfers out	<u>(1,763)</u>	<u>(1,412)</u>	<u>351</u>
Excess of revenues over expenditures and other uses	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

See accompanying independent auditors' report.

## GENERAL FUND

---

---

---

The General Fund is the principal fund of the School Board and is used to account for all activities of the school system not required to be accounted for in another fund. These activities are funded principally by state sources and local property and sales taxes on individuals and businesses.

---

---

---



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

discussions on the progress made in accumulating sufficient assets to pay benefits when due and detailed information on the investment portfolio. Historical trend information for 1996, 1995 and 1994 is as follows:

	<u>1995</u>	<u>1994</u>	<u>1993</u>
Percentage of net assets available for benefits to pension benefit obligation:			
Teachers' Retirement System of Louisiana	59.3%	57.4	53.9
Louisiana School Employees' Retirement System	118.2	119.4	116.6
Percentage of unfunded pension benefit obligation to annual covered payroll:			
Teachers' Retirement System of Louisiana	.2%	.2	.2
Louisiana School Employees' Retirement System	(74.0)	(74.4)	(60.1)
Percentage of school contribution to annual covered payroll:			
Teachers' Retirement System of Louisiana	16.1%	16.2	16.4
Louisiana School Employees' Retirement System	6.0	6.3	6.0

**(7) Post-Retirement Health Care and Life Insurance Benefits**

The DeSoto Parish School Board has voluntarily elected to provide certain continuing health care and life insurance benefits for its retired 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 for retirees and similar benefits for active employees, whose monthly premiums are paid jointly by the employee (approximately 20%) and the School Board (approximately 80%), were provided through a private insurance company. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's cost of providing these benefits to retirees totaled \$543,756 for 1996 and encompasses 217 former employees qualified to receive such benefits. This expenditure is recorded in the General Fund.

**(8) Deposits Due Others**

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

	<u>School Activity Accounts</u>
Agency deposits due others at July 1, 1995	\$ 155,386
Additions	858,878
Deductions	<u>800,616</u>
Agency deposits due others at June 30, 1996	\$ <u>213,648</u>

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

(9) **Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1996:

	<u>Bonded Debt</u>			<u>Subtotal</u>	<u>Compensated Absences</u>	<u>Total</u>
	<u>General Bonded Debt</u>	<u>Certificates of Indebtedness</u>	<u>Sales Tax Bonds</u>			
Balances, at July 1, 1995	\$ 24,055,000	5,565,000	226,000	29,846,000	863,878	30,709,878
Debt additions and increases in compensated absences	1,480,000	—	—	1,480,000	50,842	1,530,842
Debt retirements and payments of compensated absences	1,135,000	365,000	7,000	1,507,000	75,997	1,582,997
Debt refundings	<u>1,380,000</u>	<u>—</u>	<u>—</u>	<u>1,380,000</u>	<u>—</u>	<u>1,380,000</u>
Balances, at June 30, 1996	\$ <u>23,020,000</u>	<u>5,200,000</u>	<u>219,000</u>	<u>28,439,000</u>	<u>838,723</u>	<u>29,277,723</u>

For the year ended June 30, 1996, the principal payments of \$1,507,000, plus interest and fiscal charges of \$1,763,908, on the obligations were paid from Debt Service Funds. Accrued compensated absences of \$75,997 were paid by those funds and departments with salary costs and are included in payroll costs. Long-term debt at June 30, 1996, is comprised of the following issues:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation Bonds:					
School District No. 1 -					
Dated 1-1-89	\$ 1,400,000	7.5-9.0%	01/01/99	\$ 105,975	630,000
Dated 12-1-93	4,180,000	3.6-5.7%	01/01/09	1,873,930	4,090,000
School District No. 2-					
Dated 1-1-80	1,170,000	5.5-7.0%	01/01/05	73,950	265,000
Dated 8-1-87	1,750,000	8.0%	08/01/07	799,200	1,440,000
School District No. 3 -					
Dated 12-1-88	575,000	8.0-9.0%	12/01/98	34,210	265,000
Dated 7-1-94	1,785,000	4.5-5.85%	12/01/08	798,561	1,750,000
Dated 9-1-94	300,000	5.3-9.0%	12/01/13	186,744	295,000
School District No. 4 -					
Dated 10-1-88	2,420,000	8.5-9.0%	10/01/98	214,663	1,580,000
Dated 12-1-93	4,575,000	3.55-5.7%	10/01/08	2,732,174	4,465,000
Dated 2-1-94	6,825,000	3.6-5.3%	10/01/05	2,016,101	6,540,000
School District No. 5:					
Dated 10-1-88	475,000	7.4-7.6%	10/01/98	26,043	220,000
Dated 5-20-96	1,480,000	5.53%	10/01/05	675,963	1,480,000

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Sales Tax Bonds - Parishwide - Dated 9-1-90	\$ 250,000	7.0-10.0%	09/01/10	\$ 137,186	219,000
Certificates of Indebtedness - School District No. 2 - Dated 7-1-92	6,490,000	5.1-8.0%	12/01/12	<u>2,525,678</u>	<u>5,200,000</u>
Total				\$ <u>12,200,378</u>	<u>28,439,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and a sales tax. At June 30, 1996, the School Board has accumulated \$3,102,704 in the Debt Service Funds for future debt requirements.

During 1992, the School Board issued \$2,490,000 in refunding Certificates of Indebtedness, Series 1992B, with interest rates ranging from 5.1% to 8.0% to advance refund \$2,350,000 of the outstanding Certificates of Indebtedness, dated December 1, 1980, with interest rates of 9.0%. The net proceeds of the issue were used to purchase a U.S. government security. This security was deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Certificates of Indebtedness, dated December 1, 1980. As of June 30, 1996, \$1,250,000 of the 1980 Certificates of Indebtedness remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the School Board's General Long-Term Debt Account Group.

During 1993, the School Board issued \$4,180,000 in General Obligation School Refunding Bonds, Series 1993, with interest rates ranging from 3.05% to 5.70% to refund \$3,590,000 of the outstanding General Obligation School Bonds, Series 1989, with interest rates ranging from 7.6% to 8.0%. The net proceeds of the issue plus additional existing funds were used to purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1989 bonds. As of June 30, 1996, \$3,590,000 of the 1989 bonds due in the period 2000 to 2009 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

During 1993, the School Board issued \$4,575,000 in General Obligation School Refunding Bonds, Series 1993, with interest rates ranging from 3.0% to 5.7% to refund \$3,910,000 of the outstanding General Obligation School Bonds, Series 1988, with interest rates of 7.7%. The net proceeds of the issue were used to purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1996, \$3,910,000 of the 1988 bonds due in the period 2006 to 2008 remain outstanding



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

During 1994, the School Board issued \$6,825,000 in General Obligation School Refunding Bonds, Series 1994, with interest rates ranging from 2.85% to 5.30% to refund \$5,880,000 of the outstanding General Obligation School Bonds, Series 1988, with interest rates ranging from 7.20% to 7.65%. The net proceeds of the issue plus additional existing funds were used to purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1996, \$5,880,000 of the 1988 bonds due in the period 1999 to 2005 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

On July 1, 1994, the School Board issued \$1,785,000 of General Obligation School Refunding Bonds, Series 1994, with interest rates ranging from 3.65% to 5.85% and maturities from 1994 to 2008 to refund \$1,560,000 of the outstanding General Obligation School Bonds, Series 1988 with interest rates ranging from 7.6% to 8.0%. The net proceeds of \$1,710,900 (after payment of \$74,100 in underwriting fees and other issuance costs) plus an additional \$6,629 of existing funds were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1996, \$1,560,000 of the 1988 bonds due in the period 1999 to 2008 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

On May 20, 1996, the School Board issued \$1,480,000 of General Obligation School Refunding Bonds, Series 1996, with an interest rate of 5.53% and maturities from 1996 to 2008 to refund \$1,380,000 of the outstanding General Obligation School Bonds, Series 1988 with interest rates ranging from 7.7 to 8%. The net proceeds of \$1,453,500 (after payment of \$26,500 in underwriting fees and other issuance costs) plus an additional \$15,135 of existing funds were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1996, \$1,380,000 of the 1988 bonds due in the period 1999 to 2008 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

The advance refunding of the 1988 General Obligation Bonds with maturities from 1999 to 2008 decreased the School Board's total debt service payments over the next 12 years by approximately \$175,325, including additional cash paid by the School Board, and resulted in an economic gain to the School Board (difference between the present values of the debt service payments on the old and new debt less additional cash paid) of approximately \$124,465.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

The annual requirements to amortize all debt outstanding as of June 30, 1996, are as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
1997	\$ 1,573,000	1,590,527	3,163,527
1998	1,699,000	1,479,952	3,178,952
1999	1,824,000	1,355,343	3,179,343
2000	1,955,000	1,241,071	3,196,071
2001	2,066,000	1,141,497	3,207,497
2002-2014	<u>19,322,000</u>	<u>5,391,988</u>	<u>24,713,988</u>
Total	\$ <u>28,439,000</u>	<u>12,200,378</u>	<u>40,639,378</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 1996, the statutory limit was \$40,052,902, the outstanding bonded debt net of applicable debt service funds totaled \$20,463,423 and the legal debt margin was \$19,589,479.

**(10) Lease Commitments**

The School Board has a commitment under an operating lease agreement for the Superintendent's car. This agreement is a three-year lease. Total rental expense under the operating lease was approximately \$7,322 during the year ended June 30, 1996.

**(11) Other Required Individual Fund Disclosures**

**(A) Interfund Receivables and Payables**

Individual fund interfund receivable and payable balances at June 30, 1996, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 422,376	—
Special Revenue Funds:		
Educational Consolidation and Improvement Act:		
Title I	—	263,434
Title VI	—	6,782
Special Education	—	29,344
Adult Basic Education	—	14,282
Charter Schools	—	211
Starting Points	—	21,927
Even Start	—	8,622
Goals 2000	—	36,047
Education for Economic Security Act - Title II	—	15,350
Head Start	—	20,756
Vocational Education	—	5,621
Total	\$ <u>422,376</u>	<u>422,376</u>

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

**(B) Operating Transfers**

A reconciliation of operating transfers for the year ended June 30, 1996, follows:

<u>Fund</u>	<u>In</u>	<u>Out</u>
General Fund	\$ 44,249	264,092
Special Revenue Funds:		
Educational Consolidation and Improvement Act:		
Title I	—	31,492
Educational Consolidation and Improvement Act continued:		
Title VI	—	1,512
Education for Economic Security Act - Title II	—	964
School Lunch Fund	264,092	—
Special Education	—	5,757
Adult Basic Education	—	1,932
Starting Points	—	1,108
Vocational Education	—	66
Charter Schools	—	6
Goals 2000	—	1,412
Total	\$ <u>308,341</u>	<u>308,341</u>

**(1.2) Excess of Expenditures Over Appropriations**

For those funds for which a budget to actual comparison was made, actual expenditures exceeded budgeted expenditures on a line item basis for the year ended June 30, 1996, is as follows:

	<u>Expenditures</u>		<u>Unfavorable</u>	<u>% of</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance</u>
Special Revenue Funds:				
Headstart	\$ 47,917	48,253	(336)	(.7%)
7 Mill Maintenance Tax	679,837	685,330	(5,493)	(.8%)

The unfavorable budget variances for the year ended June 30, 1996, were not significant.

**(1.3) Commitments and Contingencies**

Litigation

At June 30, 1996, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

The site purchased for the Mansfield facility (School District No. 4) underwent an environmental evaluation to determine if there were unsafe levels of hazardous components in the soil. The first phase of the evaluation revealed that, although soil and groundwater contaminants were found at low concentrations during this investigation, no direct route of exposure to building or school ground occupants was identified. The final phase of testing by the Department of Environmental Quality did indicate that certain remedial cleanup work was required to remediate the site, and remediation procedures were performed in 1994, 1995, and 1996. In May 1996, the Department of Environmental Quality approved the School Board's request to end remedial cleanup work at the Mansfield facility.

Self-Insurance

The School Board is partially self-insured for health 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 health plan for individual claims in excess of \$100,000 and for total annual claims in excess of \$2,600,000. The School Board maintains stop-loss coverage with an insurance company under its workers' compensation plan for individual claims in excess of \$175,000 and for total claims that exceed \$790,000 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 financial statements. At June 30, 1996, the amount of these liabilities was \$560,586. This liability is the School Board's best estimate based on available information. Changes in the reported liability since June 30, 1994, resulted from the following:

	Beginning of Fiscal-Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
1994-1995	\$ 565,704	2,942,911	2,936,335	572,280
1995-1996	572,280	2,954,412	2,966,106	560,586

As of June 30, 1996, \$1,918,607 and \$225,000 of the General Fund fund balance has been designated for payment of future claims of the health plan and workers' compensation plan, respectively.

Grant Disallowances

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

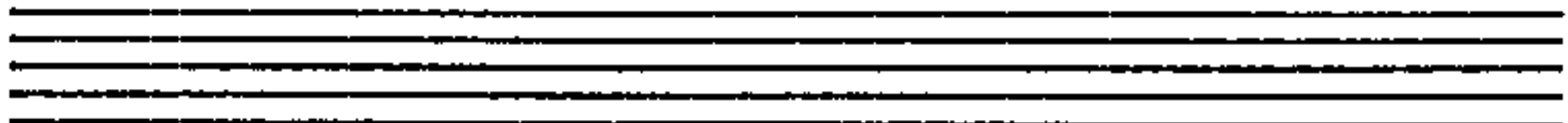
# INTRODUCTORY SECTION

---

---

---

- TRANSMITTAL LETTER
- CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
- CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
- ORGANIZATIONAL STRUCTURE
- ELECTED OFFICIALS
- SELECTED ADMINISTRATIVE OFFICIALS



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

7 Mill Maintenance Tax

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues:				
Local sources:				
Ad valorem tax	\$ 625,851	632,314	6,463	619,637
Interest earnings	2,000	1,030	(970)	1,957
State sources - other	47,325	47,325	—	47,283
Total revenues	<u>675,176</u>	<u>680,669</u>	<u>5,493</u>	<u>668,877</u>
Expenditures - current - support services:				
General administration	22,750	22,718	32	22,089
Plant services	657,088	662,613	(5,525)	681,422
Total expenditures	<u>679,838</u>	<u>685,331</u>	<u>(5,493)</u>	<u>703,511</u>
Excess (deficiency) of revenues over expenditures	(4,662)	(4,662)	—	(34,634)
Fund balance at beginning of year	<u>4,662</u>	<u>4,662</u>	—	<u>39,296</u>
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>4,662</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

Expenditures

Salaries are recorded as expenditures when earned. Teachers' salaries are earned over a nine-month period but are paid over a twelve-month period. As of June 30, 1996, all such salaries for July and August have been accrued because the salaries have been earned but not paid.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of the leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Operating transfers between funds that are not expected to be repaid and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**(E) Budget Practices**

The School Board adopts budgets for the General Fund and each Special Revenue Fund. The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) By May 15, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and sources of funding.
- (2) Proposed budgets are then made available for public inspection, and after proper official journal notification, a public hearing is held to obtain taxpayer comments.
- (3) Budgets are formally adopted by the School Board before July 1 of each year for the General Fund and Special Revenue Funds.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets -  
By Function and Activity

Year ended June 30, 1996

Function and Activity	General Fixed Assets <u>July 1, 1995</u>	<u>Additions</u>	<u>Retirements</u>	Inter- departmental <u>Transfers</u>	General Fixed Assets <u>June 30, 1996</u>
Instruction:					
High schools	\$ 25,683,530	901,173	90,425	—	26,494,278
Middle schools	20,156,377	235,741	—	—	20,392,118
Elementary schools	3,363,457	96,637	—	—	3,460,094
Adult education	<u>191,762</u>	<u>6,274</u>	<u>—</u>	<u>—</u>	<u>198,036</u>
Total instruction	<u>49,395,126</u>	<u>1,239,825</u>	<u>90,425</u>	<u>—</u>	<u>50,544,526</u>
General and school administration	1,286,658	165,120	39,829	—	1,411,949
Plant and maintenance	6,426,895	38,561	1,279,960	—	5,185,496
Food service equipment	463,085	9,785	3,978	—	468,892
Transportation equipment	<u>287,964</u>	<u>349,212</u>	<u>18,500</u>	<u>—</u>	<u>618,676</u>
Total general fixed assets	\$ <u>57,859,728</u>	<u>1,802,503</u>	<u>1,432,692</u>	<u>—</u>	<u>58,229,539</u>

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Fund

Comparative Balance Sheets

June 30, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash	\$ 2,855,687	2,808,339
Certificates of deposit	5,354,500	3,715,500
Receivables	138,925	457,609
Due from other funds	<u>422,376</u>	<u>52,132</u>
Total assets	\$ <u>8,771,488</u>	<u>7,033,580</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts and claims payable	\$ 588,660	637,344
Salaries and wages payable	<u>1,600,096</u>	<u>1,963,453</u>
Total liabilities	<u>2,188,756</u>	<u>2,600,797</u>
Fund balances:		
Reserved for encumbrances	—	277,020
Unreserved:		
Designated for future claims and contingencies	2,478,606	1,795,600
Designated for equipment replacement	721,200	792,000
Designated for specific projects	546,800	501,453
Undesignated	<u>2,836,126</u>	<u>1,066,710</u>
Total fund balance	<u>6,582,732</u>	<u>4,432,783</u>
Total liabilities and fund balance	\$ <u>8,771,488</u>	<u>7,033,580</u>

See accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance - Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 3,441,305	3,473,681	32,376	3,408,034
Sales and use	4,522,000	5,352,884	830,884	3,598,503
Interest earnings	326,532	357,614	31,082	248,054
Other:				
Tuition	27,500	38,979	11,479	44,406
Rentals, leases, and royalties	7,770	10,930	3,160	9,936
Other	30,613	42,176	11,563	45,295
Total other	65,883	92,085	26,202	99,637
Total local sources	8,355,720	9,276,264	920,544	7,354,228
State sources:				
State equalization	13,667,325	13,667,325	—	13,373,551
Other state programs:				
Revenue sharing	252,915	252,918	3	252,705
Professional improvement program	282,465	277,102	(5,363)	314,421
Other	443,170	501,718	58,548	686,559
Total other state programs	978,550	1,031,738	53,188	1,253,685
Total state sources	14,645,875	14,699,063	53,188	14,627,236
Federal and other sources	10,594	10,147	(447)	54,923
Total revenues	23,012,189	23,985,474	973,285	22,036,387

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual, Continued

	1996		Variance - Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Expenditures:				
Current:				
Instruction:				
Regular programs	\$ 10,021,169	9,624,545	396,624	9,108,711
Special programs	3,976,989	3,765,667	211,322	3,439,124
Adult and continuing education programs	74,422	71,967	2,455	75,516
Support services:				
Student services	869,920	801,555	68,365	841,251
Instructional staff support	865,252	833,626	31,626	755,768
General administration	673,691	603,241	70,450	591,618
School administration	1,363,528	1,324,920	38,608	1,222,054
Business services	372,443	332,472	39,971	355,562
Plant services	1,892,471	1,706,200	186,271	1,539,378
Student transportation services	2,612,048	2,453,685	158,363	2,054,623
Central services	107,660	97,804	9,856	97,039
Capital outlay - facilities acquisition and construction	—	—	—	146
Total expenditures	<u>22,829,593</u>	<u>21,615,682</u>	<u>1,213,911</u>	<u>20,080,790</u>
Excess of revenues over expenditures	182,596	2,369,792	2,187,196	1,955,597
Other financing sources (uses):				
Operating transfers in	49,837	44,249	(5,588)	44,746
Operating transfers out	(264,092)	(264,092)	—	(179,003)
Total other financing sources (uses)	<u>(214,255)</u>	<u>(219,843)</u>	<u>(5,588)</u>	<u>(134,257)</u>
Excess of revenues and other sources over expenditures and other uses	(31,659)	2,149,949	2,181,608	1,821,340
Fund balance at beginning of year	<u>4,432,783</u>	<u>4,432,783</u>	—	<u>2,611,443</u>
Fund balance at end of year	\$ <u>4,401,124</u>	<u>6,582,732</u>	<u>2,181,608</u>	<u>4,432,783</u>

See accompanying independent auditors' report.

**Adult Basic Education** — Adult Basic Education is a program to develop knowledge and skills to meet immediate and long-range educational objectives of adults who have completed or interrupted formal schooling, having accepted adult roles and responsibilities.

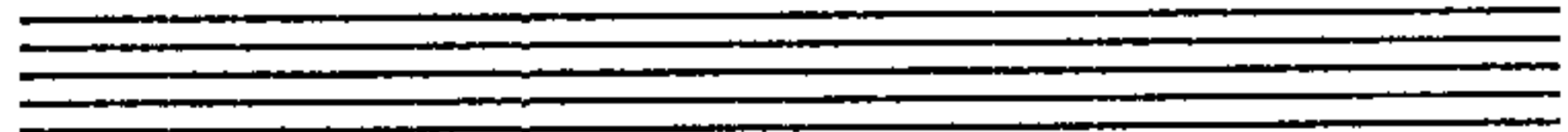
**Vocational Education** — Vocational Education is a federally funded program that provides students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.

**Starting Points** — Starting Points is a federally funded preschool program designed to provide quality early childhood education to children whose parent(s) or guardians work or are enrolled in a job training or educational program.

**Even Start** — Even Start is a federally funded preschool program for children under the age of five that helps children to develop a positive concept of self and school.

**Charter Schools** — Charter Schools is a federally funded program to reimburse the Board for any costs associated with establishing charter schools.

**Goals 2000** — Goals 2000 is a federally funded program that attempts to build community support and a true community partnership to (1) restructure the local educational system, (2) engage in long term systemic change to better address the individual needs of students, teachers, administrators, parents, employers, and citizens within its community, and (3) address the National Educational Goals, especially goals related to high academic achievement for all children.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Funds  
Combining Balance Sheet

June 30, 1996  
(with comparative totals for June 30, 1995)

	Educational Consolidation and Improvement Act Title I	Educational Consolidation and Improvement Act Title VI	Education for Economic Security Act Title II	School Lunch Fund	7 Mill Maintenance Tax	Special Education	Head Start	Adult Basic Education	Vocational Education	Starting Points	Even Start	Charter Schools	Goals 2000	Totals 1996	Totals 1995
<b>Assets:</b>															
Cash	\$ 3,743	—	—	471,879	10,238	—	—	—	—	—	—	—	—	485,860	453,774
Certificates of deposit	—	—	—	319,219	—	—	—	—	—	—	—	—	—	319,219	319,219
Receivables	345,228	8,365	25,033	—	—	31,799	25,685	14,282	5,621	26,989	18,372	211	36,345	537,930	230,451
Inventories	—	—	—	20,054	—	—	—	—	—	—	—	—	—	20,054	23,444
Total assets	\$ 348,971	8,365	25,033	811,152	10,238	31,799	25,685	14,282	5,621	26,989	18,372	211	36,345	1,363,063	1,076,888
<b>Liabilities and Fund Balances</b>															
<b>Liabilities:</b>															
Accounts payable	\$ 1,340	—	—	—	10,238	2,081	—	—	—	—	—	—	—	13,659	50,237
Salaries and wages payable	84,197	1,583	9,683	87,901	—	374	4,929	—	—	5,062	9,750	—	298	203,777	295,694
Due to other funds	263,434	6,782	15,350	—	—	29,344	20,756	14,282	5,621	21,927	8,622	211	36,047	422,376	52,132
Total liabilities	348,971	8,365	25,033	87,901	10,238	31,799	25,685	14,282	5,621	26,989	18,372	211	36,345	639,812	398,063
Fund balances - unreserved - undesignated	—	—	—	723,251	—	—	—	—	—	—	—	—	—	723,251	678,825
Total liabilities and fund balances	\$ 348,971	8,365	25,033	811,152	10,238	31,799	25,685	14,282	5,621	26,989	18,372	211	36,345	1,363,063	1,076,888

See accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	Educational and Consolidation and Improvement Act Title I	Title VI	Education for Economic Security Act Title II	School Lunch Fund	7 Mill Maintenance Tax	Special Education	Head Start	Adult Basic Education	Vocational Education	Starting Points	Even Start	Charter Schools	Goals 2000	Totals	1996	1995
<b>Revenues:</b>																
Local sources:																
Ad valorem taxes					632,314										632,314	619,637
Interest earnings				26,623	1,030										27,653	24,831
Other				245,432											245,432	234,059
State sources:																
State equalization				381,064	47,325										381,064	381,064
Other															47,325	78,613
Federal sources	1,430,826	54,381	34,663	1,352,048		246,998	48,253	69,335	74,853	42,854	74,752	211	57,655		3,486,829	3,310,397
Total revenues	1,430,826	54,381	34,663	2,005,167	680,669	246,998	48,253	69,335	74,853	42,854	74,752	211	57,655		4,820,617	4,648,601
<b>Expenditures - current:</b>																
Instruction:																
Special programs	891,683	27,140				123,470	48,253			41,746	74,752		35,837		1,242,881	1,164,839
Adult and continuing education programs								66,370	56,682						123,052	127,643
Support services:																
Student services	81,841	25,729				700			5,940						114,210	93,407
Instructional staff support	342,122		33,699					1,033	12,165				19,505		509,760	465,665
General administration	1,263				22,718							205			23,981	23,412
Central services																205
Plant services	82,425				662,613	12,970							901		758,909	762,648
Student transportation services						2,865									2,865	1,504
Food services				2,170,171											2,170,171	2,108,407
Total expenditures	1,399,334	52,869	33,699	2,170,171	685,331	241,241	48,253	67,403	74,787	41,746	74,752	205	56,243		4,946,034	4,747,525
Excess (deficiency) of revenues over expenditures	31,492	1,512	964	(165,004)	(4,662)	5,757		1,932	66	1,108		6	1,412		(125,417)	(98,924)
Other financing sources (uses):																
Operating transfers in				264,092											264,092	179,003
Operating transfers out	(31,492)	(1,512)	(964)			(5,757)		(1,932)	(66)	(1,108)		(6)	(1,412)		(44,249)	(44,746)
Total other financing sources (uses)	(31,492)	(1,512)	(964)	264,092		(5,757)		(1,932)	(66)	(1,108)		(6)	(1,412)		219,843	134,257
Excess (deficiency) of revenues and other sources over expenditures and other uses				99,088	(4,662)										94,426	35,333
Fund balances at beginning of year				674,163	4,662										628,825	593,492
Fund balances at end of year				723,251											723,251	628,825

See accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Educational Consolidation and Improvement Act  
Title I

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		
Revenues:				
Local sources - other	\$ —	—	—	66
Federal sources	<u>1,582,161</u>	<u>1,430,826</u>	<u>(151,335)</u>	<u>1,316,748</u>
Total revenues	<u>1,582,161</u>	<u>1,430,826</u>	<u>(151,335)</u>	<u>1,316,814</u>
Expenditures - current:				
Instruction - special programs	969,542	891,683	77,859	833,962
Support services:				
Student services	87,081	81,841	5,240	48,519
Instructional staff support	373,712	342,122	31,590	328,090
General administration	1,700	1,263	437	1,323
Plant services	<u>113,954</u>	<u>82,425</u>	<u>31,529</u>	<u>71,848</u>
Total expenditures	<u>1,545,989</u>	<u>1,399,334</u>	<u>146,655</u>	<u>1,283,742</u>
Excess of revenues over expenditures	36,172	31,492	(4,680)	33,072
Other financing uses - operating transfers out	<u>(36,172)</u>	<u>(31,492)</u>	<u>4,680</u>	<u>(33,072)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Special Revenue Fund

Educational Consolidation and Improvement Act  
Title VI

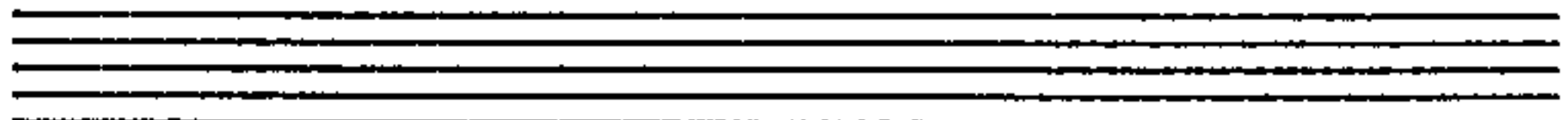
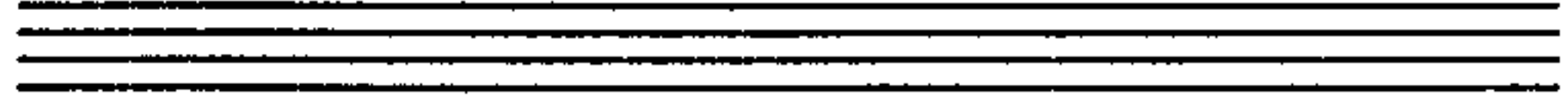
Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	<u>1996</u>		Variance Favorable (Unfavorable)	<u>1995</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues - federal sources	\$ <u>66,328</u>	<u>54,381</u>	<u>(11,947)</u>	<u>78,069</u>
Expenditures - current:				
Instruction - special programs	34,101	27,140	6,961	37,012
Support services:				
Student services	29,431	25,729	3,702	38,403
Instructional staff support	<u>951</u>	<u>—</u>	<u>951</u>	<u>520</u>
Total expenditures	<u>64,483</u>	<u>52,869</u>	<u>11,614</u>	<u>75,935</u>
Excess of revenues over expenditures	1,845	1,512	(333)	2,134
Other financing uses - operating transfers out	<u>(1,845)</u>	<u>(1,512)</u>	<u>333</u>	<u>(2,134)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance at end of year	\$ <u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

See accompanying independent auditors' report.

**SUPPLEMENTAL STATEMENTS  
AND SCHEDULES —  
COMBINING,  
INDIVIDUAL FUND,  
AND ACCOUNT  
GROUP STATEMENTS  
AND SCHEDULES**



Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

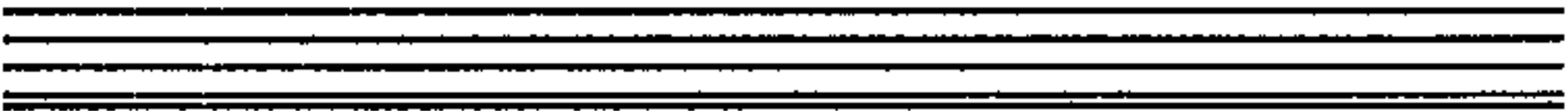
However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the DeSoto Parish School Board, in a separate letter dated September 20, 1996.

This report is intended for the information of management, the state of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record, and its distribution is not limited.

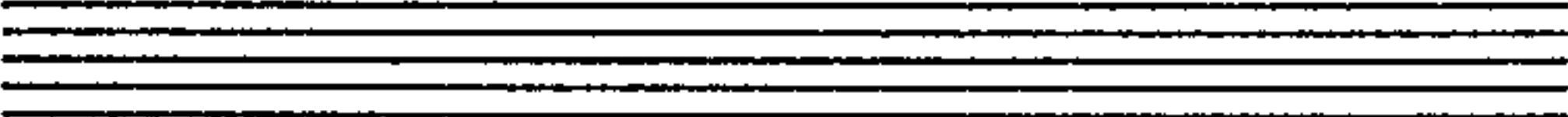
*KPMG Peat Marwick LLP*

September 20, 1996

**GENERAL FIXED ASSETS  
ACCOUNT GROUP**



The General Fixed Assets Account Group represents a summary of fixed assets of the School Board. Capital outlay in all funds is recorded as an expenditure of those funds at the time of purchase and is subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded on general fixed assets.



### INTERNAL CONTROLS

**Open Purchase Orders** — The Maintenance Department maintains open purchase orders at various local businesses to allow for quick purchase of items to prevent work delays for maintenance personnel. To better control the “draws” on the open purchase orders, we recommend a work order number be required to be written on all invoices of purchases made through open purchase orders. This will allow the School to identify the purchase to a specific project and therefore better monitor and control the purchases.

**Documentation of Receipt of Goods** — Current School Board policy does not require written documentation to be obtained from the recipient for all goods received. To leave a better audit trail for receipt of goods, we recommend the School Board require packing slips/invoices be signed by the recipient and the signed document retained in the vendor files for purchases greater than \$1,000.

### OPERATIONAL ISSUES

**Work Orders** — To better monitor and control the activities of the Maintenance Department, we recommend a work order system be established by the School Board. It is our understanding that the Maintenance Department has a work order software system, but it is not being utilized. Utilization of a work order system would allow for better planning, allocation of costs and supervision of the work force for projects undertaken.

**Emergency Purchase Orders** — The School Board in its Purchasing Manual defines “Emergency Purchase Orders” and “Field Purchase Orders”. In practice the purchases being made by under “Emergency Purchase Order” procedures is not an emergency purchase as defined by state law, but would be considered a field purchase order as defined by the School Board’s Purchasing Manual.

An emergency by state law, means “an unforeseen event bringing with it destruction or injury of life or property or imminent threat of such destruction or injury”. We recommend the School Board review its definition for the various purchase order types and ensure that its personnel understand under what conditions each is to be used.

**Purchase Orders** — The purchase order form being utilized by the School Board does not contain “boiler plate” wording (i.e., governed by state law, meeting delivery dates, acceptable substitutions) relating to the terms and conditions of the purchase. In the case of a dispute regarding the terms and conditions of a purchase, the School Board would be at a disadvantage in negotiations, since a binding contract may not have been created and/or the terms and conditions were not clearly specified.

\* \* \* \* \*

Board Members  
The DeSoto Parish School Board  
September 20, 1996  
Page 3

Our procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the School Board's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the School Board during the course of our audit.

This report is intended solely for the information and use of the School Board members, management, the State of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

*KPMG Peat Marwick LLP*



**KPMG**

The Global Leader

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Schedule of Federal Financial Assistance  
(Single Audit)

June 30, 1996

(With Independent Auditors' Report Thereon)

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

Release Date JAN 22 1997

**KPMG**

**DESOTO PARISH SCHOOL BOARD**  
Mansfield, Louisiana

Schedule of Federal Financial Assistance  
(Single Audit)

June 30, 1996

(With Independent Auditors' Report Thereon)

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Supplementary Schedule of Federal Financial Assistance  
(Single Audit)

Year ended June 30, 1996

Table of Contents

	<u>Page(s)</u>
Independent Auditors' Report on Supplementary Schedule of Federal Financial Assistance	1
Schedule of Federal Financial Assistance and Accompanying Notes	2-3
Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	4-5
Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	6-8
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	9
Independent Auditors' Report on Compliance with General Requirements Applicable to Federal Financial Assistance Programs	10
Independent Auditors' Report on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs	11-12
Independent Auditors' Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	13
Schedule of Findings and Questioned Costs	14

# **KPMG** Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

## Independent Auditors' Report on Supplementary Schedule of Federal Financial Assistance

Members of the DeSoto Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board (School Board) as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes 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 opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the DeSoto Parish School Board taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*KPMG Peat Marwick LLP*

September 20, 1996

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Schedule of Federal Financial Assistance

Year ended June 30, 1996

Grant Title	Federal CFDA Number	Grant Number	Grant Revenues Received Cash Basis	Accrued (Deferred) Grant Revenue June 30, 1995	Accrued (Deferred) Grant Revenue June 30, 1996	Grant Revenues Accrual Basis	Expenditures June 30, 1996
<b>U.S. Department of Agriculture</b>							
Pass-through State Department of Education:							
National School Lunch Program (1)	10.555	7CFR	\$ 873,043	—	—	873,043	834,922
School Breakfast Program (1)	10.553	7CFR	355,260	—	—	355,260	339,748
Pass-through State Department of Agriculture and Forestry - Food Distribution	10.550	N/A	<u>123,745</u>	<u>—</u>	<u>—</u>	<u>123,745</u>	<u>118,342</u>
			<u>1,352,048</u>	<u>—</u>	<u>—</u>	<u>1,352,048</u>	<u>1,293,012</u>
<b>U.S. Department of Labor</b>							
Pass-through State Department of Education - Job Training Partnership Act	17.250	PY-94-70-19-II-C	—	—	—	—	—
<b>U.S. Department of Health and Human Resources</b>							
Pass-through State Department of Education - Medical Assistance Program	13.714	N/A	8,886	—	—	8,886	8,886
<b>U.S. Department of Education</b>							
Pass-through State Department of Education:							
Title I Educationally-Deprived Children (1)	84.010	96-047-16	1,198,958	131,760	345,227	1,412,425	1,412,425
Title I Migrant Education	84.011	96-M-28-16-1	18,400	—	—	18,400	18,400
Title VI Federal, State, and Local Partnerships for Educational Improvement	84.151	28-95-0016-2	27,366	4,208	4,758	27,916	27,916
Title II Strengthening the Skills of Teachers Vocational Education:	84.164	28-96-5016-II	44,369	34,739	25,033	34,663	34,663
Basic Grants to States	84.048	28-96-AR-2-BIBS	55,200	2,304	5,621	58,517	58,517
Consumer and Homemaking Education	84.049	28-95-AR-3-PB	4,171	—	—	4,171	4,171
Tech Prep	84.243	N/A	12,165	—	—	12,165	12,165
Handicapped:							
P.L. 89-313	84.009	94-L313-16	607	—	—	607	607
P.L. 94-142	84.027	96-FT-16	189,973	1,982	29,880	217,871	217,871
P.L. 99-457	84.173	96-PF-16	26,426	—	1,919	28,345	28,345
Starting Points Preschool Program	94.575	N/A	16,899	1,034	26,989	42,854	42,854
Drug-Free Schools and Communities Act	84.186	28-96-7016-D	24,135	1,277	3,607	26,465	26,465
Even Start	84.213	96-ESFL	65,614	9,234	18,372	74,752	74,752
Adult Education	84.002	N/A	55,967	914	14,282	69,335	69,335
Head Start Program	93.600	06CH0386/06	34,236	11,668	25,685	48,253	48,253
IDEA - Part H	84.181	95-CIT3-16	176	—	—	176	176
Goals 2000	84.276	N/A	21,310	—	30,662	51,972	51,972
Goals 2000 Consortium	84.276	6780622	—	—	5,683	5,683	5,683
Charter Schools	84.282A	5282A50011	—	—	211	211	211
			<u>1,795,972</u>	<u>199,120</u>	<u>537,929</u>	<u>2,134,781</u>	<u>2,134,781</u>
Total			\$ <u>3,156,906</u>	<u>199,120</u>	<u>537,929</u>	<u>3,495,715</u>	<u>3,436,679</u>

Notes:

(1) Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Miscellaneous Statistical Data

June 30, 1996

Form of Government: Parish School Board  
Geographic Area: 879 Square Miles  
Population: 25,226  
Public School Membership: 5,309  
Instruction Sites:

	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
High Schools:			
Logansport	1992	117,928	53.47
Mansfield	1959	83,584	27.34
North DeSoto	1982	140,992	37.57
Pelican	1992	48,799	40.73
Stanley	1991	<u>55,964</u>	<u>40.00</u>
		<u>447,267</u>	<u>199.11</u>
Middle Schools:			
Mansfield	1994	216,718	140.30
North DeSoto	1994	<u>70,078</u>	<u>15.00</u>
		<u>286,796</u>	<u>155.30</u>
Elementary School - North DeSoto	1988	<u>63,190</u>	<u>20.00</u>
Adult Education - ABE Center	1975	<u>7,200</u>	<u>0.50</u>
Total Overall Instruction Sites		<u>804,453</u>	<u>374.91</u>

Unaudited - see accompanying independent auditors' report.



# **KPMG** Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

## Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards

Members of the DeSoto Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

The management of the DeSoto Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the DeSoto Parish School Board for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Schedule of Insurance in Force

June 30, 1996

<u>Type of Coverage/ Name of Company</u>	<u>Policy Number</u>	<u>Policy Period From To</u>	<u>Details of Coverage and Coinsurance</u>	<u>Coverage Limits</u>	<u>Premium</u>
Property damage Mt. Airy Insurance Co.	651-000096-9	7/1/95 - 7/1/96	Blanket coverage - all property \$100,000 deductible	\$ 37,958,720	85,750
Property loss and damage Hartford Steam Boiler Insurance Co.	BMI-HN-7346153-00	7/1/95 - 7/1/96	Boilers and electric motors \$1,000 deductible	1,000,000	4,822
General liability Mt. Airy Insurance Co.	651-000096-9	7/1/95 - 7/1/96	All property and employees \$2,000 deductible	1,000,000	59,578
Automobile liability Mt. Airy Insurance Co.	651-000096-9	7/1/95 - 7/1/96	Specified vehicles No deductible	1,000,000	45,683
Public Employees Blanket Bond Mt. Airy Insurance Co.	651-000096-9	7/1/95 - 7/1/96	All School Board employees No deductible	1,000,000	698
EDP and Musical Instruments Mt. Airy Insurance Co.	651-000096-9	7/1/95 - 7/1/96	Blanket coverage - all property \$5,000 deductible	836,232	3,136
Worker's Compensation Midwest Employers Casualty	0733-SA-LA	7/1/95 - 7/1/96	Blanket coverage - all employees Self-insured retention \$175,000	5,000,000	46,886
School Board Legal Liability Mt. Airy Insurance Co.	651-000096-9	7/1/95 - 7/1/96	Errors and omissions coverage \$5,000/\$250 deductible	1,000,000	6,250

Note (1) - The above coverages were renewed for the 1996/1997 fiscal year.

Unaudited - see accompanying independent auditors' report.

# **KPMG** Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

## Independent Auditors' Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs

Members of the DeSoto Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996. We have also audited the DeSoto Parish School Board's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 20, 1996.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the DeSoto Parish School Board complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the DeSoto Parish School Board in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the DeSoto Parish School Board and on the compliance of the DeSoto Parish School Board with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated September 20, 1996.

The management of the DeSoto Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of



the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Cycles of School Board's activities

- Revenue/receipts
- Purchases/disbursements
- Payroll

General requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable cost/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific requirements

- Types of services
- Eligibility
- Level of effort and/or earmarking
- Reporting
- Limitations of carryover amounts
- Involvement of parents
- Evaluations
- Services provided on an equitable basis
- School-wide project
- Obligation of funds

Claims for advances and reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, DeSoto Parish School Board expended 75.3 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the major federal financial assistance programs of the DeSoto Parish School Board, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material in relation to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the DeSoto Parish School Board in a separate letter dated September 20, 1996.

This report is intended for the information of management, the state of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record, and its distribution is not limited.

*KPMG Peat Marwick LLP*

September 20, 1996



# KPMG Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

Independent Auditors' Report on Compliance  
Based on an Audit of General Purpose Financial Statements  
Performed in Accordance With Government Auditing Standards

Members of the DeSoto Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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.

Compliance with laws, regulations, contracts, and grants applicable to the DeSoto Parish School Board is the responsibility of the DeSoto Parish School Board's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the DeSoto Parish School Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under *Government Auditing Standards*. No provision for any liability has been recognized in the DeSoto Parish School Board's financial statements as a result of this issue.

At June 30, 1996, a financial institution had pledged as collateral a security of Pearland, Texas Independent School District, par value of \$500,000, for a portion of its bank deposits. Such security is not an allowable security to be pledged by a financial institution as collateral (RS 39:1221).

We considered this instance of noncompliance in forming our opinion on whether the DeSoto Parish School Board's 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated September 20, 1996, on those general purpose financial statements.

This report is intended for the information of management, the state of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record, and its distribution is not limited.

*KPMG Peat Marwick LLP*

September 20, 1996

# **KPMG** Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

## Independent Auditors' Report on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs

Members of the DeSoto Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996.

We have also audited the DeSoto Parish School Board's compliance with the requirements governing types of services; eligibility; level of effort and/or earmarking; reporting; limitations of carryover amounts; involvement of parents; evaluations; services provided on an equitable basis; school-wide project; obligation of funds; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1996. The management of the DeSoto Parish School Board is responsible for the School Board's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the DeSoto Parish School Board's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the DeSoto Parish School Board complied, in all material respects, with the requirements governing types of services; eligibility; level of effort and/or earmarking; reporting; limitations of carryover amounts; involvement of parents; evaluations; services provided on an equitable basis; school-wide project; obligation of funds; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management, the state of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record, and its distribution is not limited.

*KPMG Peat Marwick LLP*

September 20, 1996

# **KPMG** Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

## Independent Auditors' Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions

Members of the DeSoto Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996.

In connection with our audit of the general purpose financial statements of the DeSoto Parish School Board and with our consideration of the DeSoto Parish School Board's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the DeSoto Parish School Board's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the DeSoto Parish School Board had not complied, in all material respects, with those requirements.

This report is intended for the information of management, the state of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record, and its distribution is not limited.

*KPMG Peat Marwick LLP*

September 20, 1996

DESOTO PARISH SCHOOL BOARD  
MANSFIELD, LOUISIANA

Schedule of Findings and Questioned Costs  
(Single Audit)

Year ended June 30, 1996

Program

Findings

Costs

None.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Schedule of Federal Financial Assistance

Year ended June 30, 1996

(1) **General**

The accompanying schedule of federal financial assistance presents the activity of all federal financial assistance programs of the DeSoto Parish School Board. The DeSoto Parish School Board's reporting entity is defined in note 1(A) to the School Board's general purpose financial statements. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, are included on the schedule.

(2) **Basis of Accounting**

The accompanying schedule of federal financial assistance is presented using the modified accrual basis of accounting, which is described in note 1(D) to the School Board's general purpose financial statements.

(3) **Relationship to General Purpose Financial Statements**

Federal financial assistance revenues are reported in the School Board's general purpose financial statements as revenues - federal and other sources. The total of grant revenues included in the accompanying schedule does not agree to revenues - federal and other sources in the general purpose financial statements due to other revenue of \$1,261, that is included in the general purpose financial statements.

(4) **Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

(5) **Noncash Programs**

Commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Sales and Use Tax Levies and Collections - All Governments (1)

Fiscal years ended June 30, 1987 through June 30, 1996

Fiscal Year	Sales and Use Tax Rates											Total Rate (2)	Total Collections				
	Parishwide				Municipalities			Parishwide						Municipalities			
	School Board	Police Jury	Mansfield	Logansport	South Mansfield	Stonewall	School Board	Police Jury	Mansfield	Logansport	Stonewall			Mansfield	Logansport	Stonewall	
1987	2%	1	1	1	1	1	\$ 2,484,608	1,317,695	514,015	98,184	—	—	—	—	—	—	4,414,502
1988	2	1	1	1	1	1	2,644,631	1,402,766	544,228	105,742	—	—	—	—	—	—	4,697,367
1989	2	1	1	1	1	1	3,079,252	1,457,210	507,710	103,920	1	—	—	—	—	—	5,170,249
1990	2	1	1	1	1	1	2,971,936	1,459,984	498,461	109,737	1	—	—	—	—	—	5,066,655
1991	2	1	1	1	1	1	3,247,061	1,594,531	511,437	117,917	1	—	—	—	—	—	5,506,782
1992 (3)	2	1	1	1	1	1	3,105,528	1,552,542	527,787	120,214	1	—	—	—	—	—	5,353,618
1993	2	1	1	1	1	1	3,277,858	1,638,972	531,670	127,309	1	—	—	—	—	—	5,627,905
1994	2	1	1	1	1	1	3,677,488	1,839,592	596,604	140,641	1	—	—	—	—	—	6,323,757
1995	2	1	1	1	1	1	4,798,005	2,225,477	631,688	144,773	1	—	—	—	—	—	7,867,750
1996	2	1	1	1	1	1	7,137,179	2,579,834	693,659	137,386	1	—	—	—	—	—	10,624,098

Notes:

- (1) Information provided by the DeSoto Parish Sales and Use Tax Commission.
- (2) This 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 DeSoto Parish Sales and Use Tax Commission began collecting taxes within the parish for all taxing bodies.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Fixed Assets Account Group

Schedule of General Fixed Assets -  
By Function and Activity

June 30, 1996

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Transportation Equipment</u>
Instruction:					
High schools	\$ 26,494,278	561,236	24,102,209	1,830,833	—
Middle schools	20,392,118	63,900	19,195,625	1,132,593	—
Elementary schools	3,460,094	470,304	2,746,565	243,225	—
Adult education	<u>198,036</u>	<u>2,362</u>	<u>150,000</u>	<u>45,674</u>	<u>—</u>
Total instruction	<u>50,544,526</u>	<u>1,097,802</u>	<u>46,194,399</u>	<u>3,252,325</u>	<u>—</u>
General and school administration	1,411,949	46,400	625,790	739,759	—
Plant and maintenance	5,185,496	63,750	4,844,311	277,435	—
Food service equipment	468,892	—	—	468,892	—
Transportation equipment	<u>618,676</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>618,676</u>
Total general fixed assets allocated to functions	\$ <u>58,229,539</u>	<u>1,207,952</u>	<u>51,664,500</u>	<u>4,738,411</u>	<u>618,676</u>

See accompanying independent auditors' report.

# GENERAL LONG-TERM DEBT ACCOUNT GROUP

---

---

---

The General Long-Term Debt Account Group represents a summary of the general long-term debt of the School Board.

---

---

---

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Long-Term Debt Account Group

Schedule of Changes in Long-Term Debt

Year ended June 30, 1996

	<u>July 1, 1995</u>	<u>Additions</u>	<u>Payments</u>	<u>Debt Service Fund Operations</u>	<u>June 30, 1996</u>
Amount available in Debt Service Funds	\$ 2,906,999	—	—	195,705	3,102,704
Amount to be provided for retirement of long-term debt	26,939,001	1,480,000	2,887,000 (1)	(195,705)	25,336,296
Amount to be provided for accrued compensated absences	<u>863,878</u>	<u>50,842</u>	<u>75,997</u>	<u>—</u>	<u>838,723</u>
	<u>\$ 30,709,878</u>	<u>1,530,842</u>	<u>2,962,997</u>	<u>—</u>	<u>29,277,723</u>
Long-term obligations payable:					
General obligation bonds payable	\$ 24,055,000	1,480,000	2,515,000	—	23,020,000
Sales tax bonds payable	226,000	—	7,000	—	219,000
Certificates of indebtedness payable	5,565,000	—	365,000	—	5,200,000
Accrued compensated absences	<u>863,878</u>	<u>50,842</u>	<u>75,997</u>	<u>—</u>	<u>838,723</u>
	<u>\$ 30,709,878</u>	<u>1,530,842</u>	<u>2,962,997</u>	<u>—</u>	<u>29,277,723</u>

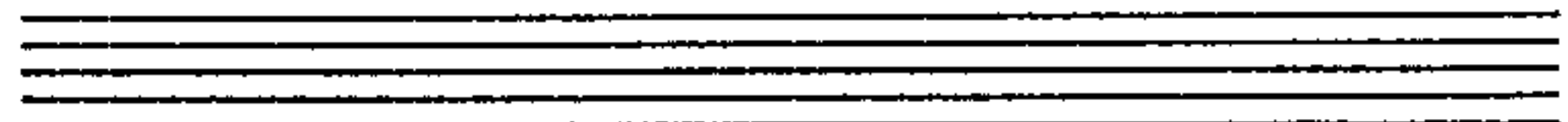
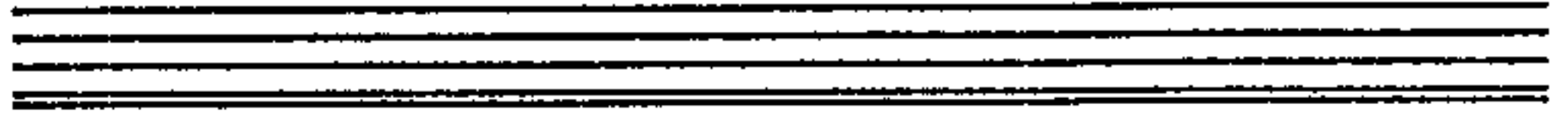
Note (1) - Payments include refunding of \$1,380,000 during fiscal year 1996.

See accompanying independent auditors' report.

# STATISTICAL SECTION



**STATISTICAL  
SECTION**



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Expenditures by Function - All Governmental Fund Types (1)

Fiscal years ended June 30, 1987 through June 30, 1996

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Operations:										
Instruction services	\$ 6,866,649	8,749,174	9,408,010	10,813,959	11,476,783	12,287,669	12,986,454	13,174,552	13,915,833	14,828,112
Support services:										
Student services	275,641	441,970	616,386	606,010	648,080	688,389	769,105	784,450	934,658	915,765
Instructional staff support	688,698	695,661	633,123	738,733	898,627	978,373	1,094,456	1,195,530	1,221,433	1,343,386
General administration	2,836,746	505,394	862,157	816,421	588,960	653,823	676,991	708,649	723,702	720,813
School administration	707,249	781,240	861,074	1,099,095	1,187,304	1,224,977	1,148,965	1,133,639	1,222,054	1,324,920
Business services	148,109	210,113	235,090	269,118	243,815	283,370	293,345	318,764	355,562	332,472
Plant services	1,218,122	1,643,814	1,652,626	1,692,707	1,686,964	1,825,874	2,055,899	2,097,586	2,302,026	2,465,109
Student transportation services	1,312,101	1,486,785	1,564,023	1,689,017	1,724,526	1,842,992	1,986,245	1,968,953	2,056,127	2,456,550
Food services	1,501,636	1,662,716	1,744,028	1,863,438	1,803,830	1,827,139	2,012,508	1,996,969	2,108,407	2,170,171
Central services	27,665	25,874	139,470	266,242	268,526	132,951	102,676	97,124	97,039	98,009
Community service programs	4,136	4,138	3,961	15,168	3,537	—	7,819	—	—	—
Facilities acquisition and construction	318,035	2,146,913	2,457,809	2,627,252	3,938,304	6,858,343	7,573,513	9,730,358	2,618,369	956,886
Debt service:										
Advance refunding escrow	—	—	—	—	—	—	—	—	6,629	15,135
Principal retired	195,000	235,000	255,000	280,000	295,000	895,000	981,000	1,111,000	1,512,000	1,507,000
Bond issuance cost	—	—	—	—	—	—	54,685	—	16,555	—
Interest and bank charges	398,451	461,080	1,280,789	2,249,243	2,276,165	2,258,931	2,295,937	1,805,014	1,872,073	1,763,908
Total expenditures	\$ 16,498,238	19,049,872	21,713,546	25,026,403	27,040,421	31,757,831	34,071,776	36,307,444	30,962,467	30,898,236

Note (1) - The computations include the following funds: General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

General Revenues by Source - All Governmental Fund Types (1)

Fiscal years ended June 30, 1987 through June 30, 1996

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Local sources:										
Ad valorem taxes	\$ 796,555	2,759,037 (3)	4,405,876 (3)	4,573,581	4,674,527	5,082,427	6,130,477	6,190,940	6,528,984	6,235,525
Sales and use taxes	2,561,783	2,706,696	3,133,155	3,039,010	3,247,061	3,105,528	3,277,858	3,677,488	4,798,005	7,137,179
Interest earnings	222,710	324,301	1,488,879	2,132,554	1,964,235	1,147,555	693,686	479,014	508,598	572,534
Insurance proceeds					1,223,452 (2)					
Rentals, leases, and royalties	126,342	45,801	27,156	19,010	85,002	2,943	6,285	6,539	17,436	10,930
Tuition	44,928	25,067	16,035	18,498	23,020	27,456	28,630	33,510	44,406	38,979
Food service	212,334	214,477	243,495	211,249	213,012	190,355	187,973	196,300	233,993	245,432
Other	19,040	21,428	14,232	28,629	80,235	64,718	16,696	52,773	45,361	42,176
State sources:										
State equalization	7,330,169	7,639,791	9,957,406	11,344,081	11,472,742	12,425,204	12,873,766	13,276,865	13,754,615	14,048,389
Other	2,376,398	2,477,841	1,092,197	1,210,279	1,079,408	975,187	961,910	881,256	1,363,063	1,108,900
Federal and other sources	<u>1,939,812</u>	<u>1,943,358</u>	<u>1,945,884</u>	<u>2,224,162</u>	<u>2,402,828</u>	<u>2,911,420</u>	<u>3,134,622</u>	<u>3,231,438</u>	<u>3,365,320</u>	<u>3,496,976</u>
Total revenues	\$ <u>15,630,071</u>	<u>18,157,797</u>	<u>22,324,315</u>	<u>24,801,053</u>	<u>26,465,522</u>	<u>25,932,793</u>	<u>27,311,903</u>	<u>28,026,123</u>	<u>30,659,781</u>	<u>32,937,020</u>

Notes:

- (1) The computations include the following funds: General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- (2) Insurance proceeds were received when a major portion of the Logansport facility was destroyed by fire in February 1991.
- (3) Ad valorem taxes increased in 1988 and 1989 due to increases in property tax rates to fund repayment of bonds issued for purposes of facility improvements and construction.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Property Tax Levies and Collections (1)

Fiscal years ended June 30, 1987 through June 30, 1996

Tax Year	School Year Ended June 30,	Net School Board Portion of Total Parish Tax Assessment (2)	Current Tax Collections	Percent of Tax Levy Collected	Delinquent Taxes	Delinquent Taxes Collected	Interest and Penalty	Total Taxes, Interest, and Penalty Collected	Total Collections as a Percent of Current Tax Levy (3)
1986	1987	\$ 770,707	761,643	98.82	\$ 8,982	846		771,471	100.10
1987	1988	2,787,436	2,632,679	94.44	2,634	322		2,635,635	94.55
1988	1989	4,312,378	4,295,358	99.60	687	27		4,296,072	99.62
1989	1990	4,497,521	4,261,662	94.75	1,555	1,321		4,264,538	94.82
1990	1991	4,655,029	4,657,493	100.05	14,337	2,697		4,674,527	100.42
1991	1992	5,127,448	5,064,005	98.76	17,477	945		5,082,427	99.12
1992	1993	6,033,146	6,021,613	99.63	15,924	3,112		6,040,649	100.12
1993	1994	6,107,923	6,091,424	99.73	5,801	2,639		6,099,864	99.87
1994	1995	6,416,514	6,424,164	100.12	3,930	4,137		6,432,231	100.24
1995	1996	6,141,301	6,132,177	99.85	8,268	7,639		6,148,084 (4)	100.11

Notes:

- (1) Information provided by DeSoto Parish Sheriff (ex officio tax collector).
- (2) Includes all adjustments to original levy.
- (3) Percentages collected greater than 100% are due to collection of prior years' taxes.
- (4) Excludes 1% collections of \$94,419.

Unaudited - see accompanying independent auditors' report.

# **KPMG** Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

September 20, 1996

## **CONFIDENTIAL**

Board Members  
The DeSoto Parish School Board

Dear Board Members:

We have audited the general purpose financial statements of the DeSoto Parish School Board (School Board) as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996. In planning and performing our audit of the financial statements of the School Board, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

### **WORKER'S COMPENSATION ACCRUAL**

The School Board has not established year end procedures to accrue for estimated future worker's compensation claims. At June 30, 1996, there were several liabilities for incurred but not reported worker's compensation claims as determined by the School Board's third party administrator.

Year end closing procedures should include a process to prepare a list of all worker's compensation claims outstanding at June 30, 1996, claims that were incurred but not reported at June 30, 1996, and claims that have occurred and been reported subsequent to June 30, 1996. A journal entry should be prepared to accrue for these liabilities as part of the year end closing. Establishment of these year end accrual procedures will produce internal financial reports which properly reflect all expenses and liabilities incurred in the proper period.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Property Tax Rates and Tax Levies - Direct and Overlapping Governments (1)

Fiscal years ended June 30, 1987 through June 30, 1996

Fiscal Year	Tax Rates Per \$1,000 of Assessed Value (4)				Total	Tax Levies (2)				Total
	Assessor	Police Jury	School Board	Sheriff		Assessor	Police Jury	School Board (3)	Sheriff	
1987	\$ 3.23	8.05	4.27	12.13	27.68	\$175,224	436,703	231,642	658,038	1,501,607
1988	3.23	8.05	38.27	12.13	61.68 (5)	178,631	445,195	2,116,471	670,834	3,411,131
1989	3.28	8.17	49.04	12.32	72.81 (5)	175,723	437,701	2,627,278	660,034	3,900,736
1990	3.28	8.17	49.87	12.32	73.64	172,798	430,415	2,627,268	649,046	3,879,527
1991	3.33	8.31	48.41	12.52	72.57	186,227	464,729	2,707,286	700,170	4,058,412
1992	3.33	8.31	48.41	12.52	72.57	188,044	469,262	2,733,690	706,999	4,097,995
1993	3.45	8.61	40.41	12.97	65.44	298,706	745,465	3,498,752	1,122,960	5,665,883
1994	3.45	8.61	40.41	12.97	65.44	303,107	756,534	3,550,296	1,139,504	5,749,441
1995	3.45	9.66	44.41	12.97	70.49	306,156	857,238	3,940,985	1,150,970	6,255,349
1996	3.45	9.66	44.41	12.97	70.49	312,225	874,231	4,019,112	1,173,786	6,379,354

Notes:

- (1) Includes all parishwide property taxes. There are other smaller municipalities and taxing districts currently levying ad valorem taxes within the parish, including the various School Districts at rates (per \$1,000 of assessed values) and assessed values for the 1996 year, as follows: District #1, 27.00 - \$11,545,387; District #2, 20.00 - \$38,335,033; District #3, 36.00 - \$5,783,941; District #4, 23.00 - \$29,215,041; and District #5, 37.50 - \$3,566,803.
- (2) Per original tax roll as filed by DeSoto Parish Tax Assessor.
- (3) Does not include property taxes assessed for individual school districts.
- (4) Information provided by DeSoto Parish Tax Assessor.
- (5) Tax rates were increased in 1988 and 1989 to fund repayment of bonds issues for purposes of facility improvement and construction.

Unaudited - see accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

(14) New Funds

Two new special revenue funds were established during fiscal 1996, Charter Schools and Goals 2000. Charter Schools is a federally funded program to reimburse the School Board for any costs associated with establishing charter schools. Goals 2000 is a federally funded program that attempts to build community support and a true community partnership.

(15) Subsequent Event

On September 5, 1996, the School issued General Obligation School Refunding Bonds in the amount of \$1,330,000 to advance refund bonds for School District No. 2. The proceeds of the new bonds, net of issuance cost, were deposited in a irrevocable trust fund. The trust fund will use the proceeds to purchase direct general obligations of the U.S. government sufficient to pay the principal and interest of the refunded bonds, as they come due.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Ratio of Net General Bonded Debt  
to Assessed Value and Net Bonded Debt Per Capita

Fiscal years ended June 30, 1987 through June 30, 1996

Assessment Year	Fiscal Year Ended June 30,	DeSoto Parish Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1986	1987	27,686	\$ 75,647,014	975,000	235,731	739,269	.0098	27
1987	1988	27,390	77,226,128	5,865,000	709,732	5,155,268	.0668	188
1988	1989	27,359	75,910,282	27,805,000	1,834,882	25,970,118	.3421	949
1989	1990	26,937	75,358,174	27,525,000	2,005,036	25,519,964	.3386	947
1990	1991	25,346	78,579,567	27,230,000	2,151,889	25,078,111	.3191	989
1991	1992	25,473	79,090,964	26,340,000	2,121,260	24,218,740	.3062	951
1992	1993	25,291	109,239,877	29,505,000	2,518,125	26,986,875	.2470	1,067
1993	1994	25,134	110,937,587	30,600,000	2,774,900	27,825,100	.2508	1,107
1994	1995	25,226	112,209,519	29,846,000	2,909,009	26,936,991	.2401	1,067
1995	1996	25,479	114,436,862	28,439,000	3,102,874	25,336,126	.2214	994

Notes:

- (1) Information provided by the Research Division of Louisiana Tech University, Ruston, Louisiana.
- (2) Assessed value is the Total Assessed Valuation of all property located in DeSoto Parish. Property was assessed at 10% on land and residential property and 15% on commercial property.
- (3) Includes all general obligation bonds outstanding at June 30, 1996, and the related Debt Service Funds.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Schedule of Direct, Overlapping, and Underlying Bonded Debt

June 30, 1996

<u>Name of Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to This Unit</u>	<u>Amount Applicable to School Board</u>
DeSoto Parish School Board	\$ 25,336,126	100 %	25,336,126
City of Mansfield	<u>2,734,609</u>	100 %	<u>2,734,609</u>
	<u>\$ 28,070,735</u>		<u>28,070,735</u>

Notes:

- (1) Various taxing 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.
- (2) This represents the debt of all the constituents who reside within DeSoto Parish.
- (3) Includes all general bonded debt outstanding at June 30, 1996, and the related Debt Service Funds.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Computation of Legal Debt Margin

June 30, 1996

Assessed value		\$ <u>114,436,862</u>
Debt limit thirty-five percent (35%) of assessed value (1)		\$ 40,052,902
Debt applicable to limitation:		
Total bonded debt	\$ 28,439,000	
Less:		
Sales tax bonds	(219,000)	
Certificates of indebtedness	(5,200,000)	
Amount available for repayment of general obligation debt (2)	<u>(2,556,577)</u>	
Total amount of debt applicable to debt limit		<u>20,463,423</u>
Legal debt margin		\$ <u>19,589,479</u>

Notes:

- (1) This percentage is in accordance with Act 103 of 1980 Regular Session of the Louisiana Legislature R.S. 39:562(d).
- (2) Includes all Debt Service Funds of the general bonded debt outstanding at June 30, 1996.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Ratio of Annual Debt Service Expenditure for  
General Bonded Debt to Total General Expenditures

Fiscal years ended June 30, 1987 through June 30, 1996

<u>Year Ended June 30,</u>	<u>Principal (1)</u>	<u>Debt Service Expenditures Interest and Fiscal Charges (1)</u>	<u>Total</u>	<u>Total General Expenditures (2)</u>	<u>Ratio of Debt Service to General Expenditures (Percent)</u>
1987	\$ 195,000	379,418	574,418	16,498,238	3.48%
1988	235,000	431,695	666,695	19,049,872	3.50
1989	255,000	1,170,698	1,425,698	21,713,546	6.56
1990	280,000	2,249,243	2,529,243	25,026,403	10.11
1991	295,000	2,233,692	2,528,692	27,040,421	9.35
1992	895,000	2,196,252	3,091,252	31,757,831	9.73
1993	981,000	2,290,722	3,271,722	34,071,776	9.60
1994	1,111,000	1,805,013	2,916,013	36,307,444	8.03
1995	1,512,000	1,871,454	3,383,454	30,962,467	10.92
1996	1,507,000 (3)	1,763,908 (3)	3,270,908 (3)	30,898,236	10.59

Notes:

- (1) Includes debt service on general obligation bonds, certificates of indebtedness, and sales tax bonds.  
(2) Includes general expenditures for all funds.

Unaudited - see accompanying independent auditors' report.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Demographic Statistics

Fiscal years ended June 30, 1987 through June 30, 1996

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Average Daily Membership (3)</u>	<u>Unemployment Rate (1)</u>
1987	27,686	5,544	5,605	16.0%
1988	27,390	5,488	5,556	12.5
1989	27,359	5,467	5,502	12.4
1990	26,937	5,331	5,428	10.0
1991	25,346	5,230	5,278	10.2
1992	25,473	5,191	5,226	10.7
1993	25,291	5,292	5,398	9.0
1994	25,134	5,408	5,302	9.8
1995	25,226	5,470	5,342	8.9
1996	25,479	5,309	5,312	10.5

Notes:

- (1) Research Division, Louisiana Tech University.
- (2) Represents the number of active students at the end of each school year.
- (3) Represents the daily average number of active students for the school year.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Property Value and Bank Deposits

Fiscal years ended June 30, 1987 through June 30, 1996

<u>Fiscal Year</u>	<u>Property Value (1)</u>	<u>Bank Deposits (000's Omitted) (2)</u>
1987	\$ 862,375,959	141,660
1988	880,377,859	141,987
1989	857,786,186	135,929
1990	851,547,366	135,947
1991	889,983,107	137,968
1992	934,482,262	153,208
1993	1,302,154,294	153,393
1994	1,336,869,702	148,174
1995	1,351,921,915	148,327
1996	1,378,757,373	252,509

Notes:

- (1) Information provided by DeSoto Parish Tax Assessor.
- (2) Per local area banks as of the calendar year end.
- (3) Other information required in this table is unavailable.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Principal Taxpayers

June 30, 1996

<u>Name (1)</u>	<u>Industry (1)</u>	<u>1995 Assessed Value (1)</u>	<u>Percentage of Total Assessed Valuation</u>
International Paper Co.	Timber Products	\$ 32,343,094	28.26%
Central Louisiana Electric Co.	Public Utility	5,758,119	5.03
Southwestern Electric Co.	Public Utility	3,161,169	2.76
Dolet Hills Mining Venture	Lignite Mining	3,011,349	2.63
South Central Bell	Public Utility	2,890,290	2.53
Southern Natural Gas	Public Utility	1,882,720	1.65
Louisiana Pacific	Railroad	1,055,385	.92
Valley Electric	Public Utility	960,820	.84
Kansas City Southern Railway	Railroad	921,940	.81
Texas Eastern Transmission Corporation	Public Utility	<u>804,110</u>	<u>.70</u>
Total for ten principal taxpayers		52,788,996	46.13
Total for remaining taxpayers		<u>61,647,866</u>	<u>53.87</u>
Total for all taxpayers		\$ <u>114,436,862</u>	<u>100.00%</u>

Note (1) - Information provided by DeSoto Parish Tax Assessor.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Attendance Data

Fiscal Years Ended June 30, 1987 through June 30, 1996

<u>Fiscal Year</u>	<u>Number of Graduates</u>	<u>Average Daily Membership (1)</u>	<u>Average Daily Attendance</u>		
			<u>Amount (2)</u>	<u>Percent of Change</u>	<u>Percent of Membership</u>
1987	288	5,605	5,333	(1.98)%	95.14%
1988	287	5,556	5,312	(0.39)	95.61
1989	268	5,502	5,258	(1.02)	95.57
1990	286	5,428	5,176	(1.56)	95.36
1991	253	5,278	5,007	(3.27)	94.87
1992	225	5,226	4,927	(1.60)	94.28
1993	232	5,398	5,002	1.52	92.66
1994	256	5,302	5,015	0.26	94.59
1995	245	5,342	5,059	0.88	94.70
1996	247	5,312	5,043	(0.32)	94.94

Notes:

- (1) Represents the daily average number of active students for the school year.  
 (2) Represents the daily average number of students in attendance for the school year.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Assessed and Estimated Actual Value of Taxable Property

Fiscal years ended June 30, 1987 through June 30, 1996

<u>Fiscal Year</u>	<u>Assessed Value (1)</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>
1987	\$ 75,647,014	862,375,959	8.8%
1988	77,226,128	880,377,859	8.8
1989	75,910,282	857,786,186	8.8
1990	75,358,174	851,547,366	8.8
1991	78,759,567	889,983,107	8.8
1992	79,090,964	934,482,262	8.5
1993	109,239,877	1,302,154,294	8.4
1994	110,937,587	1,336,869,702	8.3
1995	112,209,519	1,351,921,915	8.3
1996	114,436,862	1,378,757,373	8.3

Notes:

- (1) Information provided by DeSoto Parish Tax Assessor.
- (2) Assessed values are established by the DeSoto Parish Tax Assessor on January 1st of each year at approximately 10-15% of actual market value, depending upon the property classification. A revaluation of the property is required to be completed no less than every four years. The last revaluation was completed as of January 1, 1992, for the tax roll of 1992. A revaluation will be completed for taxes due December 31, 1996.

Unaudited - see accompanying independent auditors' report.



(4) Capital Projects Funds - The Capital Projects Funds account for financial resources used for facilities acquisition, construction, and improvements of public school facilities in the respective districts. As a result of debt issues, funds are currently available for the planned projects. During the year ended June 30, 1996, capital expenditures were made totaling \$956,886. The total costs associated with these additional improvements are as follows:

	Cost Incurred as of <u>June 30, 1996</u>
District No. 1	\$ 166,721
District No. 2	223,816
District No. 3	148,856
District No. 4	395,202
District No. 5	22,291

All major construction projects were substantially complete as of June 30, 1996.

**Fiduciary Funds**

Fiduciary funds include the School Activity Agency Fund which accounts for assets held by the individual schools of the Board. These funds support school activities such as athletic and other student organizations. All School Activity Funds are audited periodically by the Business Department.

**Cash Management**

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued by the United States Government or Federal Government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$572,534 for the year ended June 30, 1996. This was distributed as follows:

General Fund	\$ 357,614
Special Revenue Funds	27,653
Debt Service Funds	127,019
Capital Projects Funds	<u>60,248</u>
	<u>\$ 572,534</u>

# COMBINED FINANCIAL STATEMENTS — OVERVIEW

---

---

---

The Combined Financial Statements - Overview include all funds and account groups in order to provide an overview of the financial position and results of operations for the DeSoto Parish school system as a whole. Detailed financial statements for each fund and account group are presented elsewhere in this report.

---

---

---

# KPMG Peat Marwick LLP

1900 Commercial National Tower  
333 Texas Street  
Shreveport, LA 71101-3692

## Independent Auditors' Report

To the Members of the DeSoto  
Parish School Board  
Mansfield, Louisiana:

We have audited the general purpose financial statements of the DeSoto Parish School Board (School Board) as of and for the year ended June 30, 1996, as listed in the accompanying table of contents as Exhibits 1 through 3. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the School Board. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

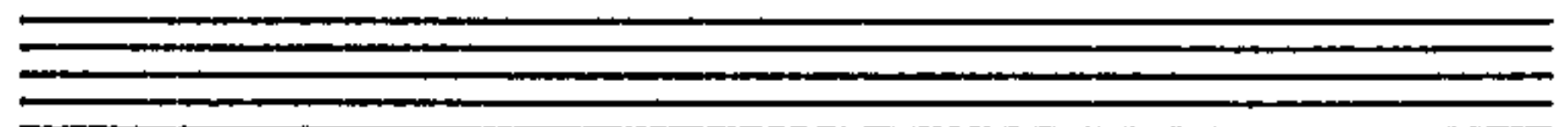
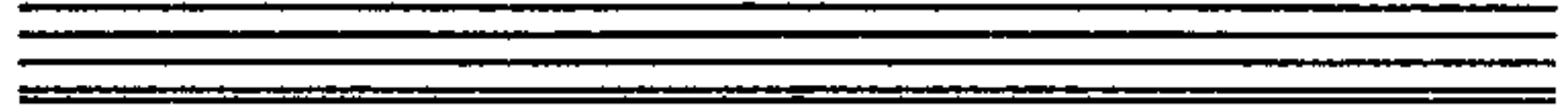
In accordance with *Government Auditing Standards*, we have also issued a report dated September 20, 1996, on our consideration of the School Board's internal control structure and a report dated September 20, 1996, on its compliance with laws and regulations.

The accompanying financial information listed in the statistical Tables 1 through 16 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and accordingly we express no opinion on this information.

*KPMG Peat Marwick LLP*

September 20, 1996

**INDEPENDENT  
AUDITORS' REPORT**



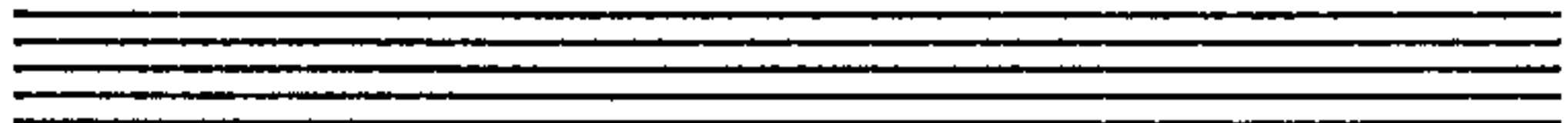
# FINANCIAL SECTION

---

---

---

- INDEPENDENT AUDITORS' REPORT
- COMBINED FINANCIAL STATEMENTS —  
OVERVIEW
- SUPPLEMENTAL STATEMENTS AND  
SCHEDULES — COMBINING,  
INDIVIDUAL FUND, AND ACCOUNT  
GROUP STATEMENTS AND SCHEDULES





# FINANCIAL SECTION

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Selected Administrative Officials

		<u>Began in This Position</u>
Mr. Chal M. Rascoe	Superintendent	7/1/96
Mr. Walter C. Lee	Past Superintendent	07/89 - 06/96
Mr. Douglas R. Green	Director of Personnel and Administrative Services	07/88
Mr. Steven Stanfield	Director of Business and Operations	01/85
Mr. Chal M. Rascoe	Secondary Director of Instruction	07/88 - 06/96
Mrs. Carolyn F. Palmer	Lower Elementary Supervisor of Instruction	07/84
Mr. A. J. Williams, Jr.	Supervisor of Adult Education	09/76
Mr. James V. Grice	Supervisor of Maintenance	11/85
Mr. Samuel Johnson	Upper Elementary Supervisor of Instruction	10/89
Mrs. Clara C. Anderson	Supervisor of School Food Services	07/74
Mr. Ronnie L. Land	Supervisor of Child Welfare and Attendance	10/88
Mrs. Joyce B. Smelley	Special Education Supervisor	10/88
Mr. Abner B. Hedgemon, Jr.	Federal Programs Director	07/87
Mr. Persley White	Supervisor of Transportation	08/92

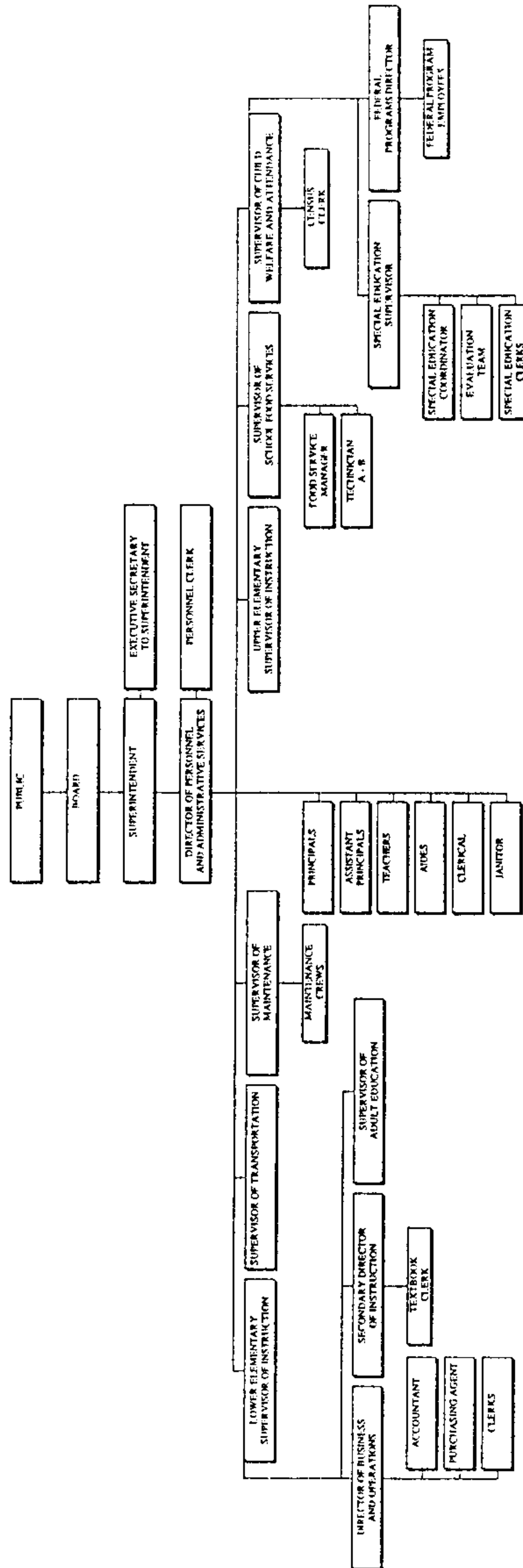
DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Elected Officials

	<u>District</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Began as a Board Member</u>
Mr. Robert Taylor (President)	1	January 1, 1995	December 31, 1999	January 1995
Mr. James H. Wiggins (Vice President)	10	August 6, 1995	December 31, 1999	August 1991
Mr. L. J. Mayweather, Jr. (Finance Committee Chairman)	11	January 1, 1995	December 31, 1999	January 1981
Dr. Fred Gillis Rew	4	January 1, 1995	December 31, 1999	January 1991
Mrs. Brenda E. Hall	2	January 1, 1995	December 31, 1999	December 1985
Mr. McLawrence Fuller	3	January 1, 1995	December 31, 1999	December 1980
Ms. Patricia Hesser	5	January 1, 1995	December 31, 1999	February 1994
Mr. Tom Dodson	6	January 1, 1995	December 31, 1999	January 1995
Mr. Richard K. Land	7	January 1, 1995	December 31, 1999	January 1987
Mr. Thomas Craig, Jr.	8	January 1, 1995	December 31, 1999	January 1991
Mr. Donald B. Dufour	9	January 1, 1995	December 31, 1999	January 1991

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

ORGANIZATIONAL STRUCTURE



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1996  
(with comparative totals for June 30, 1995)

	Governmental Fund Types				Fiduciary Fund Type	Account Groups			Totals	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds		School Activity Agency Fund	General Fixed Assets	General Long-Term Debt	(Memorandum Only) 1996	1995
<b>Assets and Other Debits</b>										
Cash (note 2)	\$ 2,855,687	485,860	1,189,874	1,119,652	201,909	—	—	5,852,982	5,590,032	
Certificates of deposit (note 2)	5,354,500	319,219	1,913,000	—	25,000	—	—	7,611,719	6,496,719	
Receivables (note 5)	138,925	537,930	—	—	—	—	—	676,855	688,060	
Due from other funds (note 11)	422,376	—	—	—	—	—	—	422,376	52,132	
Inventories	—	20,054	—	—	—	—	—	20,054	23,444	
General fixed assets (note 4)	—	—	—	—	—	58,229,539	—	58,229,539	57,859,728	
Amount available in Debt Service Funds	—	—	—	—	—	—	3,102,704	3,102,704	2,906,999	
Amount to be provided for retirement of general long-term obligations	—	—	—	—	—	—	—	—	—	27,802,879
<b>Total assets and other debits</b>	<b>\$ 8,771,488</b>	<b>1,363,063</b>	<b>3,102,874</b>	<b>1,119,652</b>	<b>226,909</b>	<b>58,229,539</b>	<b>29,277,723</b>	<b>102,091,248</b>	<b>101,419,993</b>	
<b>Liabilities, Fund Equity, and Other Credits</b>										
<b>Liabilities:</b>										
Accounts and claims payable	\$ 588,660	13,659	—	25,985	13,261	—	—	641,565	926,917	
Salaries and wages payable	1,600,096	203,777	—	—	—	—	—	1,803,873	2,259,147	
Due to other funds (note 11)	—	422,376	—	—	—	—	—	422,376	52,132	
Deposits due others (note 8)	—	—	—	—	213,648	—	—	213,648	155,386	
Matured bonds and interest payable	—	—	170	—	—	—	—	170	2,010	
Compensated absences payable (note 9)	—	—	—	—	—	—	838,723	838,723	863,878	
Bonds payable (note 9)	—	—	—	—	—	—	28,439,000	28,439,000	29,846,000	
<b>Total liabilities</b>	<b>2,188,756</b>	<b>639,812</b>	<b>170</b>	<b>25,985</b>	<b>226,909</b>	<b>—</b>	<b>29,277,723</b>	<b>32,359,355</b>	<b>34,105,470</b>	
<b>Fund equity and other credits:</b>										
Investments in general fixed assets (note 4)	—	—	—	—	—	58,229,539	—	58,229,539	57,859,728	
<b>Fund balances:</b>										
Reserved for debt service	—	—	3,102,704	—	—	—	—	3,102,704	2,906,999	
Reserved for encumbrances	—	—	—	125,315	—	—	—	125,315	699,094	
Unreserved:										
Designated for future claims and contingencies	2,478,606	—	—	—	—	—	—	2,478,606	1,795,600	
Designated for equipment replacement	721,200	—	—	—	—	—	—	721,200	792,000	
Designated for specific projects	546,800	—	—	968,352	—	—	—	1,515,152	1,565,567	
Undesignated	2,836,126	723,251	—	—	—	—	—	3,559,377	1,695,535	
<b>Total fund equity and other credits</b>	<b>6,582,732</b>	<b>723,251</b>	<b>3,102,704</b>	<b>1,093,667</b>	<b>—</b>	<b>58,229,539</b>	<b>—</b>	<b>69,731,893</b>	<b>67,314,523</b>	
<b>Total liabilities, fund equity, and other credits</b>	<b>\$ 8,771,488</b>	<b>1,363,063</b>	<b>3,102,874</b>	<b>1,119,652</b>	<b>226,909</b>	<b>58,229,539</b>	<b>29,277,723</b>	<b>102,091,248</b>	<b>101,419,993</b>	

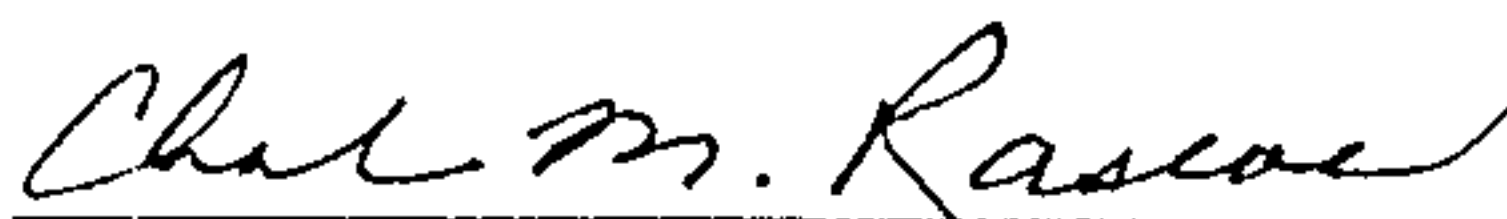
See accompanying notes to combined financial statements.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its Comprehensive Annual Financial Report for the preceding fiscal year. To be awarded these certificates, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. These certificates are valid for a period of one year only. We believe our current report continues to conform to the certificate requirements, and we are submitting it to both GFOA and ASBO.

### Acknowledgments

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 them for their assistance. We also thank the members of the Board for their interest and support in planning and conducting the financial operations of the School System in a responsible and progressive manner.



---

Chal M. Rascoe, Superintendent  
DeSoto Parish Schools



---

Steven Stanfield, Director  
Business and Operations



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, 1995

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.



*Timothy H. Rividan*  
President

*Jeffrey L. Essler*  
Executive Director

Vocational Education - is a federally funded program that provides students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.	\$ 74,853
Starting Points - is a federally funded preschool program designed to provide quality early childhood education to children whose parent(s) or guardians work or are enrolled in a job training or educational program.	42,854
Even Start - is a federally funded preschool program for children under the age of five that helps children to develop a positive concept of self and school.	74,752
Charter Schools - is a federally funded program to reimburse the Board for any costs associated with setting up a charter school.	211
Goals 2000 - is a federally funded program that attempts to build community support and a true community partnership to: (1) restructure the local educational system, (2) engage in long term systemic change to better address the individual needs of students, teachers, administrators, parents, employers, and citizens within its community, and (3) address the National Educational Goals, especially goals related to high academic achievement for all children.	57,655

(3) Debt Service Funds - Debt Service Funds are used to accumulate monies for the payment of outstanding bond issues. The bonds were issued by the respective school districts for the purpose of acquiring lands for building sites, erecting and improving school buildings, and acquiring 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 sales taxes.

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Board's debt position. This data as of June 30, 1996, is as follows:

	<u>Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Net direct general obligation bonded debt	\$ <u>25,336,126</u>	<u>22.14%</u>	\$ <u>994</u>

The changes in long-term debt are as follows:

	<u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1996</u>
General Obligation Bonds	\$ 24,055,000	1,480,000	2,515,000	23,020,000
Certificates of Indebtedness	5,565,000	—	365,000	5,200,000
Sales Tax Bonds	226,000	—	7,000	219,000
Compensated Absences	<u>863,878</u>	<u>50,842</u>	<u>75,997</u>	<u>838,723</u>
	\$ <u>30,709,878</u>	<u>1,530,842</u>	<u>2,962,997</u>	<u>29,277,723</u>

The unreserved fund balance in the General Fund was maintained at an adequate level. The unreserved fund balance, which includes designations for future claims and contingencies, equipment replacement, and specific projects of \$2,479,000, \$721,000, and \$547,000, respectively, at June 30, 1996, increased from \$4,432,783 to \$6,582,732 or 49%. The unreserved fund balance represents 30% of 1995-96 General Fund expenditures.

(2) Special Revenue Funds - The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Shown below are the names of the programs, the purpose of the program, and the expenditures made during the fiscal year 1995-96.

Educational Consolidation and Improvement Act:

- Title I Program - is a federally funded program for educationally deprived children from low income families. Improving skills in reading and math are the primary objectives. \$ 1,430,826
- Drug-Free Schools Program - is a program by which the federal government provides money to educate children to prevent drug abuse. 26,465
- Title VI Program - is a program by which the federal government provides money to purchase library reference and instructional materials. 27,916

Education for Economic Security Act - Title II Program - is a federally funded program designated to strengthen the skills of teachers in math and science. 34,663

School Lunch Fund - accounts for the expenditure of funds for the operation of the school breakfast and lunch programs in the school cafeterias. 2,170,171

7 Mill Maintenance Tax - accounts for a parishwide 7 mill property tax levy that is used to fund the costs of maintaining and operating the school facilities. 685,331

Special Education - consists of federally funded programs to provide education to all handicapped children ages four through twenty-one as well as preschool children. 246,998

Head Start - is a program by which the federal government provides money to give economically deprived children a head start in school before they enter kindergarten. 48,253

Adult Basic Education - is a program to develop knowledge and skills to meet immediate and long-range educational objectives of adults who have completed or interrupted formal schooling, having accepted adult roles and responsibilities. 69,335

Governmental funds include:

(1) General Fund - General educational activities are accounted for in the General Fund and are supported primarily by local taxes and state entitlements. General Fund revenues are as follows:

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1995</u>
Local	\$ 9,276,264	38.7%	1,922,036
State	14,699,063	61.3	71,827
Federal and Other	<u>10,147</u>	<u>—</u>	<u>(44,776)</u>
	<u>\$ 23,985,474</u>	<u>100.0%</u>	<u>1,949,087</u>

General Fund revenues increased by \$1,949,087 from the prior year amount of \$22,036,387. Changes were primarily due to the following:

- Local sources increased primarily as a result of additional sales and use tax revenue, generated from increased activity, in the amount of \$1,750,000; and an increase in interest income of \$110,000 due to higher interest rates.

General Fund expenditures by function were as follows:

<u>Item</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1995</u>
Instruction Services	\$ 13,462,179	62.3%	838,828
Support Services	<u>8,153,503</u>	<u>37.7</u>	<u>696,064</u>
	<u>\$ 21,615,682</u>	<u>100.0%</u>	<u>1,534,892</u>

General Fund expenditures increased \$1,534,892 from the prior year amount of \$20,080,790. This increase was primarily due to the following:

- Instruction services expenditures were primarily impacted by increases in salaries and the addition of classroom teachers.
- Support services expenditures were also primarily impacted by increases in salaries and an increase in transportation expenditures resulting from the purchase of additional school buses.



The Board operates 9 schools within the parish with a total enrollment of approximately 5,300 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the Board provides transportation and school food services for the students.

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

## ECONOMIC CONDITION AND OUTLOOK

DeSoto Parish is located in northwest Louisiana approximately 40 miles south of Shreveport which is the largest metropolitan area of the region. The unemployment rate in DeSoto Parish has ranged from 8.9% to 10.7% since 1990, and is at 10.5% in 1996. The parish's economy, even though sluggish at this time, is balanced among agriculture, mining, timber, and manufacturing.

One of the largest private employers is International Paper Company (IP) which has approximately 450 employees, including 50 permanent private contractors employed at its linerboard facility. IP completed a \$498 million facility in 1981 and entered the DeSoto Parish tax rolls in 1992 when the current industrial tax exemption expired. In 1996, IP completed a \$300 million expansion to add a new paper machine and a recycled fiber plant. This expansion created approximately 1000 construction jobs and 100 permanent positions.

The Central Louisiana Electric Company (CLECO) and Southwestern Electric Power Company (SWEPCO) entered into a joint venture to complete a \$468 million lignite power plant in 1986. CLECO/SWEPCO employs approximately 250 employees, including 100 permanent employees at Dolet Hills Mining Venture. The depreciated value of this power plant is scheduled to appear on the tax rolls when the exemption expires next fiscal year.

## MAJOR INITIATIVES

### For the Year

In January 1996 and July 1996, the voters in DeSoto Parish agreed to renew two property taxes that were set to expire at the end of 1996-97. Because this is the second largest source of revenue to the General Fund and important for our children's future, we want to thank the voters for their support.

Another pay supplement was given to 740 employees in September 1995. The cost of this pay raise was over \$325,000. Also, eight additional teaching positions totaling \$228,000 were funded to lower the pupil teacher ratio.

Six new activity buses were purchased for the high schools costing \$277,000. Also, a new program to help contracted bus drivers purchase newer buses was approved by the Board in August 1995. Six bus drivers took advantage of this program. We expect this program to grow in the future because the interest rates paid by the driver are less.

The group hospitalization and life insurance program that is offered to all employees and retirees showed excellent claims experience this past year. As a result, approximately \$632,000 was added to the designated reserve for group hospitalization.

The Board refinanced a total of \$1,380,000 of its outstanding General Obligation Bonds in May 1996. This refinancing will decrease the total debt service payments over the next thirteen years and will save the taxpayers approximately \$175,000.

### For the Future

As we approach the turn of the century, DeSoto Parish schools will continue to face significant issues and concerns that will require effective and timely planning and leadership. Some of those items will be included in future budgets as additional funds become available. Listed in nonpriority order, they are as follows:

- (1) Salary updates to attract and keep competent teachers and support staff.
- (2) More teachers to lower the pupil teacher ratio.
- (3) More pre-kindergarten classes for all children.
- (4) Counselors for all schools that do not have counselor services.
- (5) Schools that meet Southern Association Accreditation Standards.
- (6) Keeping computer hardware and software up-to-date with current technology.

## **FINANCIAL INFORMATION**

### Internal Control

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



We believe that the Board's accounting controls provide reasonable assurance that errors or irregularities to the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

### **Single Audit**

The Board is required to undergo an annual single audit or a biennial audit, to include transactions of both years, in conformity with the provisions of both (1) Louisiana Revised Statute 24:513(K) and (2) the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Information related to this single audit, include the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

As a part of the Board's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the Board has complied with applicable laws and regulations. The results of the Board's single audit for the fiscal year ended June 30, 1996, provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

### **Budgeting Controls**

Formal budget integration within the accounting records is employed as a management control device. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the General Fund and the Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The Board does not formally approve budgetary data for Debt Service Funds and Capital Projects Funds. Debt Service Funds are budgeted within the Business Department on an annual basis before millage assessments are approved by the Board, and Capital Projects Funds are budgeted before bids for facility acquisition and construction projects are approved.

As demonstrated by the statements and schedules included in the financial section of this report, the Board continues to meet its responsibility for sound fiscal management.

### **General Educational Programs**

Governmental funds account for all or most of the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

The pension benefit obligations of all plans were computed as part of actuarial valuations performed as of June 30, 1995. Significant actuarial assumptions used in the valuations include:

	<u>Teachers' Plan</u> <u>(Includes Plan B)</u>	<u>School</u> <u>Employees' Plan</u>
Investment Return	8.25%	7.5%
Salary Growth	5.75% to 8.95%	1981-86 salary scale experience plus .5%
Mortality Rates	1983 Group Annuity Mortality Rates	1971 Group Annuity Mortality Rates
Rates of Withdrawal	1981-86 termination experience	1981-86 termination experience

The Teachers' Plan's (including Plan B) actuarial present value of credited projected benefits increased by approximately \$641,832,646 from June 30, 1994, to June 30, 1995, due to a cost-of-living adjustment granted to retirees. In addition, legislation was passed on July 1, 1992, whereby cost-of-living adjustments must be funded by a newly devised employee experience account which resulted in an experience gain of approximately \$9,030,125 in 1995.

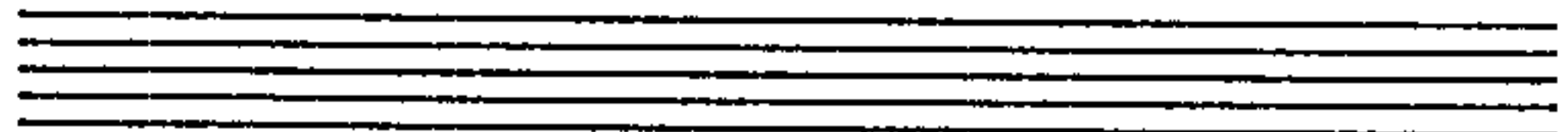
The School Employees' Plan's actuarial present value of credited projected benefits increased by \$53,370,949 from June 30, 1994, to June 30, 1995, due to a cost-of-living adjustment granted to retirees.

At June 30, 1995, the date of the latest actuarial valuation, the pension benefit obligations of the Teachers' Plan, which includes Plan B, and the School Employees' Plan were \$10,570,307,000 and \$834,345,876 respectively, as follows:

	<u>Teachers' Plan</u> <u>(Includes Plan B)</u>	<u>School</u> <u>Employees' Plan</u>
Pension Benefit Obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 5,119,783,000	430,268,489
Current employees:		
Accumulated employee contributions	1,489,496,000	127,177,032
Employer-financed vested	3,495,999,000	225,019,115
Employer-financed nonvested	<u>465,029,000</u>	<u>51,881,240</u>
Total pension benefit obligation	10,570,307,000	834,345,876
Net assets available for benefits, at market value	<u>6,275,335,000</u>	<u>986,376,389</u>
Unfunded (assets in excess of) pension benefit obligation	\$ <u>4,294,972,000</u>	<u>(152,030,513)</u>

# GOVERNMENTAL FUNDS

- 
- 
- 
- GENERAL FUND
  - SPECIAL REVENUE FUNDS
  - DEBT SERVICE FUNDS
  - CAPITAL PROJECTS FUNDS



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Certificate of Excellence in Financial Reporting

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**DESOTO PARISH SCHOOL BOARD**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 1995

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Dwight D. Bolton*  
President

*Don F. Hagan*  
Executive Director

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

School Board had certificates of deposit carried by the School Board and by the bank at \$7,611,719. These certificates of deposit are reported separately in the accompanying combined financial statements.

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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. All deposits are insured or collateralized with securities with market values totaling \$14,608,517 and are categorized below to give an indication of the level of credit risk. 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.

	<u>Bank Balance</u>
Category 1 Deposits insured or collateralized with securities held by the School Board or by its agent in the School Board's name.	\$ 779,152
Category 2 Deposits collateralized with securities held by the pledging financial institution's trust department or agent in the School Board's name.	<u>13,148,673</u>
	\$ <u>13,927,825</u>

The School Board's investments during the year ended June 30, 1996, consisted of overnight repurchase agreements with a carrying and market value of \$507,000 at June 30, 1996. This investment is classified as cash in the accompanying combined financial statements and is categorized to give an indication of the level of risk assumed by the School Board at year end as a Category 1 investment, which includes those investments insured or registered or for which the securities are held by the School Board or its safekeeping agent in the School Board's name.

(3) Levied Taxes

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



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

If a member with at least 5 years of creditable service becomes disabled, he is eligible to receive normal benefits computed using the 2 percent formula; however, the benefit shall not be less than 30 percent, nor more than 75 percent of the average final compensation.

Deferred Retirement Option Plan - See explanation of this option under the Teachers' Retirement System of Louisiana.

Funding Sources - Covered employees are required to contribute 5 percent of their salary to Plan B. The School Board contributes 16.5 percent from July 1, 1993 to June 30, 1995, of covered employees' salaries to Plan B in accordance with state statute.

Louisiana School Employees' Retirement System (School Employees' Plan) - All bus drivers, bus aids, maintenance employees, and custodians are members of this statewide plan. This is a cost-sharing multiple-employer plan.

Pension Benefits - Employees are eligible for retirement if the employee has: (a) 30 years of service, regardless of age, (b) 25 years of service and is at least age 55, or (c) 10 years of service and is at least age 60. The retirement allowance is equal to 2.5 percent times years of service times average compensation for the 3 highest consecutive years of service plus \$24 for each year of service. Benefits cannot exceed the average compensation for the 3 highest years of successive employment. Employees retiring on or after January 1, 1992 receive an additional 1/2 percent allowance for service in excess of 20 years. Maximum benefits are received if the retiree chooses to terminate all benefits upon his death. If this option is chosen and the retiree dies before receiving payments equal to his contributions, the balance will be paid to a beneficiary. Alternatively, a retiree may choose to provide benefits to beneficiaries upon his death at varying levels depending on which of 4 options is selected. Each of these options reduces the maximum benefit received by the retiree.

Death and Disability Benefits - Upon the death of any School Employees' Plan member, his beneficiaries may elect to receive a refund of the member's contributions or survivor's benefits. If the member had 5 years of service, survivor's benefits are as follows: (a) if there is a spouse and one child, or two children, the survivors receive the greater of 75 percent of average compensation or \$300 per month, (b) if there is one child and no spouse, the benefit is the greater of 75 percent of average compensation or \$300 per month, or (c) if there is a spouse with no children, the survivor receives the greater of 50 percent of average compensation or \$200 per month.

If a member with at least 5 years of service becomes disabled, he is eligible to receive benefit payments. Disability benefits are computed using the same formulas as in pension benefits calculations.

### **Risk Management**

The Board maintains a combination of self-insurance and stop-loss coverage to manage its risks of loss from property damage, theft, and claims against employees. In addition, the Board is partially self-insured for health insurance and workmen's compensation. A list of insurance in force is included in Table 15. The General Fund balance includes \$2,479,000 designated for contingencies established in anticipation of possible losses related to insurance coverage and other risks.

### **OTHER INFORMATION**

#### **Service Efforts And Accomplishments**

During 1996, the schools of DeSoto Parish served an average of 5,043 students daily. In 1996 the average daily attendance increased as a percentage of average daily students to 94.94%.

The graduating classes of 1996 remained consistent with previous years, with a total of 247 students graduating from DeSoto Parish schools. The average American College Test (ACT) scores of graduates also remained consistent with past years, as well as with State scores. The average ACT scores of DeSoto Parish students was 18.3 for 1996.

DeSoto Parish has been successful in increasing the number of classroom teachers to a total of 365 in 1996. With the number of students remaining constant in 1996, the ratio of students per teacher decreased from 15.58 in 1995 to 14.98 in 1996. Reducing the ratio of students to teachers to increase classroom learning continues to be an area of emphasis for the schools.

#### **Significant Budget Changes for 1997**

In 1997, the General Fund budgeted expenditures will exceed budgeted revenues by \$1.5 million. This shortfall is attributable to the funding of a state and local pay raise for all personnel. The General Fund fund balance will fund this deficit for one year. It is projected that the fund balance at June 30, 1997 will be at 21% of the 1997 General Fund expenditures which is within an acceptable level to provide for unforeseen occurrences. When the CLECO/SWEPCO Power Plant comes on the tax rolls the next year, property tax assessments will increase dramatically and provide the needed revenues to offset this deficit and provide a source for future needs.

#### **Independent and Internal Audits**

The report of our independent certified public accountants, KPMG Peat Marwick LLP, follows as an integral component of this report. Their examination of the general purpose financial statements was performed in accordance with generally accepted auditing standards and, accordingly, includes a review of the Board's system of budgetary and accounting controls.

In addition to the accounting control systems and the use of independent auditors, the Business Department conducts internal audits of School Activity Funds.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - All Governmental Fund Types

For the year ended June 30, 1996  
(with comparative totals for June 30, 1995)

	Governmental Fund Types				Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
<b>Revenues:</b>					
Local sources:					
Taxes:					
Ad valorem (note 3)	\$ 3,473,681	632,314	2,129,530	—	6,235,525
Sales and use	5,352,884	—	1,288,953	495,342	7,137,179
Interest earnings	357,614	27,653	127,019	60,248	572,534
Other	92,085	245,432	—	—	337,517
State sources:					
State equalization	13,667,325	381,064	—	—	14,048,389
Other	1,031,738	47,325	29,837	—	1,108,900
Federal and other sources	10,147	3,486,829	—	—	3,496,976
Total revenues	<u>23,985,474</u>	<u>4,820,617</u>	<u>3,575,339</u>	<u>555,590</u>	<u>32,937,020</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular programs	9,624,545	—	—	—	9,624,545
Special programs	3,765,667	1,242,881	—	—	5,008,548
Adult and continuing education programs	71,967	123,052	—	—	195,019
Support services:					
Student services	801,555	114,210	—	—	915,765
Instructional staff support	833,626	509,760	—	—	1,343,386
General administration	603,241	23,981	93,591	—	720,813
School administration	1,324,920	—	—	—	1,324,920
Business services	332,472	—	—	—	332,472
Plant services	1,706,200	758,909	—	—	2,465,109
Student transportation services	2,453,685	2,865	—	—	2,456,550
Food services	—	2,170,171	—	—	2,170,171
Central services	97,804	205	—	—	98,009
Capital outlay - facilities acquisition and construction	—	—	—	956,886	956,886
Debt service (note 9):					
Advance refunding escrow	—	—	15,135	—	15,135
Principal retirement	—	—	1,507,000	—	1,507,000
Bond issuance costs	—	—	—	—	—
Interest and bank charges	—	—	1,763,908	—	1,763,908
Total expenditures	<u>21,615,682</u>	<u>4,946,034</u>	<u>3,379,634</u>	<u>956,886</u>	<u>30,898,236</u>
Excess (deficiency) of revenues over expenditures	2,369,792	(125,417)	195,705	(401,296)	2,038,784
Other financing sources (uses):					
Proceeds from sale of surplus items/fixed assets	—	—	—	8,775	8,775
Proceeds of refunding bonds	—	—	1,480,000	—	1,480,000
Payment to refunded bond escrow agent	—	—	(1,480,000)	—	(1,480,000)
Operating transfers in (note 11)	44,249	264,092	—	—	308,341
Operating transfers out (note 11)	(264,092)	(44,249)	—	—	(308,341)
Total other financing sources (uses)	<u>(219,843)</u>	<u>219,843</u>	<u>—</u>	<u>8,775</u>	<u>8,775</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,149,949	94,426	195,705	(392,521)	2,047,559
Fund balances at beginning of year	<u>4,432,783</u>	<u>628,825</u>	<u>2,906,999</u>	<u>1,486,188</u>	<u>9,454,795</u>
Fund balances at end of year	<u>\$ 6,582,732</u>	<u>723,251</u>	<u>3,102,704</u>	<u>1,093,667</u>	<u>9,454,795</u>

See accompanying notes to combined financial statements.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

If a member with at least 5 years of service becomes disabled, he is eligible to receive the lesser of: (a) 75 percent of the projected benefit that would have been payable upon retirement at age 60 had the member continued in service without further change in compensation or (b) 50 percent of the average final compensation. If a member with at least 20 years of service becomes disabled, he is eligible to receive the benefit computed using the 2.5 percent formula regardless of age. If a disabled retiree has dependent minor children or if the spouse is disabled, he receives an additional benefit equal to 50 percent of his disability benefit, provided the total benefit provided does not exceed 75 percent of his average final compensation.

Deferred Retirement Option Plan - Effective July 1, 1992, the Teachers' Retirement System adopted a Deferred Retirement Option Plan (DROP). Under the DROP, a member is allowed to retire and accumulate his/her retirement benefits in a special reserve fund and yet continue employment and draw a salary. Upon termination of employment at the end of the specified period, the monthly retirement benefits and the amounts paid into the DROP will begin being paid to the retiree.

Funding Sources - Covered employees are required to contribute 8 percent of their salary to the Teachers' Plan. The School Board was required to contribute 16.5 percent of covered employees' salaries from July 1, 1993 to June 30, 1995 in accordance with state statute.

Teachers' Retirement System of Louisiana - Plan B (Plan B) - All cafeteria workers are members of this statewide plan. This plan is a part of the Teachers' Retirement System of Louisiana plan above.

Pension Benefits - Employees are eligible for retirement if the employee has: (a) 30 years of service and is at least age 55 or (b) 10 years of service and is at least age 60. Employees in this plan also contribute to social security. These employees' retirement benefit coverage is 2 percent times years of service times the member's average final compensation. Employees are given the same benefit options upon retirement as those described under the Teachers' Plan.

Death and Disability Benefits - Upon death of any Plan B member eligible for normal retirement at the time of death, a surviving spouse receives normal reduced monthly benefits that continue at the same benefit amount for life of the spouse. If the deceased Plan B member has 20 or more years of creditable service, but is not eligible for normal retirement at the time of death, and leaves a surviving spouse, who has been married to the member for at least one year just prior to death and is not eligible for social security survivorship or retirement benefits on the member's account, the spouse receives benefits beginning at the age of 50, until becoming eligible for social security survivorship or a retirement benefit, or until remarriage.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

(6) Defined Benefit Pension Plans

(A) Description of Plans

The School Board provides retirement, death, and disability benefits through three pension plans administered by the state of Louisiana. These plans are:

Teachers' Retirement System of Louisiana (Teachers' Plan) - All teachers and administrative employees are members of this statewide plan. This is a cost-sharing multiple-employer plan.

Pension Benefits - Employees are eligible for retirement with maximum retirement benefits computed at 2 percent times years of service times the average salary of the 36 highest successive months plus \$300 if the employee has: (a) 10 years of service and is at least age 60 or (b) 20 years of service, regardless of age. Employees are eligible for retirement with maximum retirement benefits computed at 2.5 percent times years of service times the average salary of the 36 highest successive months plus \$300 if the employee has: (a) 20 years of service and is at least age 65, (b) 25 years of service and is at least age 55, or (c) 30 years of service, regardless of age. Benefits cannot exceed 100 percent of employee's average salary for the last 36 successive months. Maximum benefits are received if a retiree chooses to terminate all benefits upon his death. Alternatively, a retiree may choose to provide benefits to beneficiaries upon his death at varying levels depending on which of 7 options is selected. Each of these options reduces the maximum benefit received by the retiree.

Death and Disability Benefits - Upon the death of any Teachers' Plan member with 5 or more years of service, at least 2 of which were earned immediately prior to death, a surviving spouse with minor children receives 50 percent of the monthly benefit to which the member would have been entitled upon retirement at age 60 had the member continued in service without further change in compensation using the 2.5 percent formula regardless of years of service or \$300 whichever is greater. A surviving spouse without minor children, who has been married for at least 1 year receives the benefit computed using the 2.5 percent formula adjusted for the actuarial life expectancy of the surviving spouse or \$300 per month whichever is greater provided the member had: (a) 10 or more years of service, 2 of which were earned immediately prior to death, or (b) 20 or more years of service regardless of when earned. If the member was not eligible for retirement, benefits cease upon remarriage but resume upon divorce or death of new spouse. Surviving minor children receive 50 percent of the benefit to which a surviving spouse with minor children receives subject to a maximum of 2 children.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

Funding Sources - Covered employees contributed 6.35 percent of their salary to the School Employees' Plan for fiscal 1995 and 1996. The School Board contributed 6.0 percent and 6.0 percent of covered employees' salaries for fiscal 1995 and 1996, respectively, in accordance with state statute.

Total Payroll and Amount Contributed - All Plans

Payroll of School Board employees covered by pension plans and contributions made by the School Board and the state of Louisiana for the year ended June 30, 1995, were as follows:

	<u>Payroll</u>	<u>Amount Contributed</u>	<u>Percent of Total Covered Payroll</u>
Teachers' Retirement System of Louisiana	\$ 10,937,339	1,768,746	16.2%
Teachers' Retirement System of Louisiana - Plan B	599,847	92,812	15.5
Louisiana School Employees' Retirement System	1,918,703	115,135	6.0
School Board employees not covered by a pension plan	<u>1,956,701</u>	<u>-----</u>	—
	<u>\$ 15,412,590</u>	<u>1,976,693</u>	12.8%

The fiscal 1995 information is disclosed above in order to correspond with the latest financial information available from the retirement systems, as disclosed elsewhere in this note. Additionally, for the year ended June 30, 1996, total payroll, total amount contributed, and the percent of the total amount contributed to total payroll were \$15,510,081, \$2,119,083, and 13.7%, respectively.

**(B) Funding Status and Progress**

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess a plan's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits, and make comparisons among public employee retirement systems and employers. The plans in which the School Board participates do not make separate measurements of assets and pension benefit obligations for individual employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the plans.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

Property Tax Calendar

Assessment date	January 1, 1995
Levy date	Not later than June 1, 1995
Tax bills mailed	On or about November 15, 1995
Total taxes are due	December 31, 1995
Penalties and interest are added	January 1, 1996
Lien date	January 1, 1996
Tax sale - 1995 delinquent property	May 17, 1996

The School Board is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes, 35% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish.

All 1995 property taxes that had not been received as of June 30, 1996, were considered uncollectible. Any amounts that might be collected subsequently would not be significant. The tax roll is not prepared by the tax assessor until November of each year; therefore, the amount of 1996 property taxes to be collected within the next year is not known. As a result, no property tax receivable for 1996 taxes is included on the accompanying combined balance sheet.

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, 1992. Total assessed value was \$114,436,862 and \$112,209,519 in calendar years 1995 and 1994, respectively. Louisiana State law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$23,936,689 and \$23,468,574 of the assessed value in calendar years 1995 and 1994, respectively.

The distribution of the School Board's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 1996 and 1995:

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

P.L. 99-457	\$	28,345
IDEA Part H		176
Head Start		48,253
Adult Basic Education		69,335
Vocational Education		74,853
Starting Points		42,854
Even Start		74,752
Charter Schools		211
Goals 2000		57,655
Debt Service Fund - School District No. 2 (1992 Issue) – state revenue sharing		<u>29,837</u>
Totals	\$	<u>18,495,265</u>

**(Q) Comparative Total Data**

Comparative total data for the prior year have been presented in the accompanying combined financial statements to provide an understanding of changes in the School Board's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1995 have been reclassified in the accompanying financial statements in order to conform with the 1996 presentation.

**(R) Total Columns on Combined Statements**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**(S) Claims and Judgments**

Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with expendable available financial resources. The remainder of the liability (if any) is recorded in the General Long-Term Debt Account Group.

**(2) Cash and Investments**

At June 30, 1996, the carrying amount of the School Board's cash deposits was \$5,345,982 and the bank balance was \$6,316,106. In addition, at June 30, 1996, the

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

reductions of the expenditure in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations. Reference should be made to note 11 regarding interfund transactions.

**(P) Grants and Entitlements From Other Governmental Agencies**

Federal and state governmental agencies represent an important source of supplementary funding to finance educational programs and other activities beneficial to parish schools. These funds, primarily in the form of grants, are recorded in the General Fund and Special Revenue Funds. A grant receivable is recorded when the School Board has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the single audit approach as mandated in the Single Audit Act of 1984.

During the year ended June 30, 1996, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying financial statements:

<u>Fund</u>	
General Fund:	
State Equalization	\$ 13,667,325
State Professional Improvement Program	277,102
State Revenue Sharing	252,918
Other	400,190
Special Revenue Funds:	
Education Consolidation and Improvement Act:	
Title I:	
Title I	1,412,426
Title II - Migrant	18,400
Title VI:	
ESEA Title II	27,916
Drug-Free Schools and Communities Act	26,465
Education for Economic Security Act - Title II - P.L. 98-377	34,663
School Lunch Fund:	
Federal Reimbursement	1,228,303
State Equalization	381,064
Commodities	123,745
Special Education Funds:	
P.L. 89-313	606
P.L. 94-142	217,871



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

(L) **Pension Plans**

The School Board participates in three pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements (see note 6 for details of these plans).

(M) **Reserves**

Use of the term "reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not available to appropriate for expenditure or is legally segregated for a specific future use. The reserve for debt service represents the portion of fund balance that has been reserved in the Debt Service Funds for future payment of principal and interest on bonded debt. The reserve for encumbrances at year end represents the estimated amount the School Board intends to honor as a commitment regardless of the lapse in the appropriation.

(N) **Designations**

Use of the term "designated" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. Designated fund balances may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these designations are explained as follows:

Designated for Future Claims and Contingencies

This amount represents a portion of fund balance that has been designated to fund possible losses from lawsuits, self-insurance liability, and other risks.

Designated for Equipment Replacement

This amount has been accumulated to fund the replacement of buses.

Designated for Specific Projects

This amount has been designated to fund future capital projects including acquiring lands for building sites and playgrounds; purchasing, erecting, and improving school buildings and other facilities; and acquiring equipment and furnishings.

(O) **Interfund Transactions**

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements to a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

The accounting policies of the School Board conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(B) Basis of Presentation

The accounts of the School Board are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the School Board:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. All governmental funds are accounted for on a spending measurement focus; that is, the measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

General Fund - The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Funds receive a dedicated portion of ad valorem and sales taxes paid to the School Board.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

FIDUCIARY FUND

School Activity Agency Fund - The School Activity Agency Fund is used to account for assets held by the School Board as an agent for other parties. The School Activity Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - General and Special Revenue Funds

For the year ended June 30, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Local sources:						
Taxes:						
Ad valorem	\$ 3,441,305	3,473,681	32,376	625,851	632,314	6,463
Sales and use	4,522,000	5,352,884	830,884	—	—	—
Interest earnings	326,532	357,614	31,082	19,632	27,653	8,021
Other:						
Tuition	27,500	38,979	11,479	—	—	—
Rentals, leases, and royalties	7,770	10,930	3,160	—	—	—
Food services	—	—	—	231,837	245,432	13,595
Other	30,613	42,176	11,563	—	—	—
State sources:						
State equalization	13,667,325	13,667,325	—	381,064	381,064	—
Other	978,550	1,031,738	53,188	47,325	47,325	—
Federal and other sources	10,594	10,147	(447)	3,710,903	3,486,829	(224,074)
Total revenues	<u>23,012,189</u>	<u>23,985,474</u>	<u>973,285</u>	<u>5,016,612</u>	<u>4,820,617</u>	<u>(195,995)</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular programs	10,021,169	9,624,545	396,624	—	—	—
Special programs	3,976,989	3,765,667	211,322	1,336,448	1,242,881	93,567
Adult and continuing education programs	74,422	71,967	2,455	125,791	123,052	2,739
Support services:						
Student services	869,920	801,555	68,365	124,606	114,210	10,396
Instructional staff support	865,252	833,626	31,626	565,065	509,760	55,305
General administration	673,691	603,241	70,450	24,950	23,981	969
School administration	1,363,528	1,324,920	38,608	—	—	—
Business services	372,443	332,472	39,971	—	—	—
Plant services	1,892,471	1,706,200	186,271	785,462	758,909	26,553
Student transportation services	2,612,048	2,453,685	158,363	2,700	2,865	(165)
Food services	—	—	—	2,171,577	2,170,171	1,406
Central services	107,660	97,804	9,856	19,445	205	19,240
Total expenditures	<u>22,829,593</u>	<u>21,615,682</u>	<u>1,213,911</u>	<u>5,156,044</u>	<u>4,946,034</u>	<u>210,010</u>
Excess (deficiency) of revenues over expenditures	182,596	2,369,792	2,187,196	(139,432)	(125,417)	14,015
Other financing sources (uses):						
Operating transfers in	49,837	44,249	(5,588)	221,126	264,092	42,966
Operating transfers out	(264,092)	(264,092)	—	(50,790)	(44,249)	6,541
Total other financing sources (uses)	<u>(214,255)</u>	<u>(219,843)</u>	<u>(5,588)</u>	<u>170,336</u>	<u>219,843</u>	<u>49,507</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(31,659)	2,149,949	2,181,608	30,904	94,426	63,522
Fund balance at beginning of year	4,432,783	4,432,783	—	628,825	628,825	—
Fund balance at end of year	<u>4,401,124</u>	<u>6,582,732</u>	<u>2,181,608</u>	<u>659,729</u>	<u>723,251</u>	<u>63,522</u>

See accompanying notes to combined financial statements.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

	<u>1996</u>	<u>1995</u>
General Fund - constitutional	\$ 4.41	4.41
General Fund - special maintenance and operations	40.00	40.00
Debt Service Funds:		
District No. 1	27.00	29.00
District No. 2	20.00	21.89
District No. 3	36.00	39.43
District No. 4	23.00	33.00
District No. 5	<u>37.50</u>	<u>39.64</u>
	<u>\$ 187.91</u>	<u>207.37</u>

(4) **Fixed Assets**

A summary of changes in general fixed assets is as follows:

	Balance July 1, <u>1995</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>1996</u>
General fixed assets:				
Land	\$ 1,222,525	—	14,573	1,207,952
Buildings and improvements	52,161,090	790,672	1,287,262	51,664,500
Furniture and equipment	4,188,149	662,619	112,357	4,738,411
Transportation equipment	<u>287,964</u>	<u>349,212</u>	<u>18,500</u>	<u>618,676</u>
	<u>\$ 57,859,728</u>	<u>1,802,503</u>	<u>1,432,692</u>	<u>58,229,539</u>

(5) **Receivables**

The receivables of \$676,855 at June 30, 1996, consist of the following:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Grants:			
Federal	\$ —	537,930	537,930
State	122,623	—	122,623
Other	<u>16,302</u>	<u>—</u>	<u>16,302</u>
Total	<u>\$ 138,925</u>	<u>537,930</u>	<u>676,855</u>

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

June 30, 1996

**(1) Summary of Significant Accounting Policies**

The DeSoto Parish School Board (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 9 schools within the parish with a total enrollment of approximately 5,300 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

**(A) Reporting Entity**

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

The financial statements present the DeSoto Parish School Board (the primary government). Based on the criteria there are no component units included in the School Board's reporting entity.

**Jointly Governed Organization**

DeSoto Parish Sales and Use Tax Commission (Commission) — The Commission is an independent agency responsible for the collection, enforcement, and administration of sales and use taxes levied by the School Board, the City of Mansfield, and the DeSoto Parish Police Jury. The Commission is considered a separate reporting entity and issues financial statements separate from those of the School Board. The School Board does not retain an ongoing financial interest or responsibility in its operations. The Commission is not considered a component unit of the School Board and its operations are not included in the accompanying financial statements.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

**ACCOUNT GROUPS**

Account groups are used to establish accounting control and accountability for the School Board's general fixed assets and general long-term obligations. The following are the School Board's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School Board. Items that are charged against the capital outlay accounts, materials and supplies, and repairs and maintenance that meet the capitalization policy are recorded in the General Fixed Assets Account Group.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the School Board.

**(C) Fixed Assets and Long-Term Liabilities**

The accounting and reporting treatments applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

All purchased or constructed fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.



DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

**(D) Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) and fiduciary funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Ad valorem taxes are considered "measurable" at the time of preparation of the tax roll by the tax assessor. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In reimbursement-type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the School Board or by the Louisiana Department of Public Safety and Corrections - Public Safety Services because they are generally not measurable until actually received.

Interest earnings on time deposits are recorded as earned since they are measurable and available.

September 20, 1996

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

RE: Financial Statement Transmittal Letter  
for the Fiscal Year Ended June 30, 1996

Dear Board Members:

The Comprehensive Annual Financial Report of the DeSoto Parish School Board (Board) for the year ended June 30, 1996, is hereby submitted. This report has been prepared by the Business Department following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada. Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Administration and the Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three parts:

1. The Introductory Section - This section includes a transmittal letter, the Board's organizational structure, and recognition of the elected School Board.
2. The Financial Section - The Board's complete financial operations are depicted in the financial section. Individual Fund Statements and Account Group Statements are presented along with the Combining Statements. Combining Statements are presented when the Board has more than one fund of a given fund type.
3. The Statistical Section - This section includes a number of tables of unaudited data depicting the financial history, demographics, and other miscellaneous information of the DeSoto Parish School Board for the past ten years.

## **CREATION AND PURPOSE OF 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 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 Board is comprised of 11 members who are elected from 11 districts for terms of four years.

DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

- (4) The budgets are prepared on the modified accrual basis of accounting. The budget document is structured such that revenues are budgeted by source and appropriations by function. School Board policy and the legal requirements, which prescribe that the legal level of control for the General Fund and Special Revenue Funds is at the fund level, provide that expenditures may not exceed appropriations in excess of five percent of the budgeted expenditures of the fund. All appropriations which are not expended lapse at year end.
- (5) Formal budgetary integration (within the accounting records) is employed as a management control device for selected funds. The Superintendent of schools is authorized to transfer amounts between line items within any fund and may amend the budget within each fund, without seeking approval of the School Board, provided that actual revenues or expenditures within the fund do not fail to meet or exceed budgeted revenues or expenditures by five percent or more. However, as is consistent with the legal requirements, when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Amendments to the budget were made and adopted by the School Board during fiscal 1996. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The School Board issues a budget report at least annually that demonstrates legal compliance at the legal level of budgetary control.
- (6) Comparison of budgeted and actual amounts is included in Exhibit 3 in the accompanying financial reports and includes all funds for which budgets are legally required. The budget and actual comparisons are made by source for revenues and by function for expenditures which is more detailed than the fund level legal requirement. Annual budgets are not required for the Debt Service Funds, the Capital Projects Funds, or the School Activity Agency Fund, as budgets for these funds are maintained on a project or repayment basis rather than on a fiscal year basis.
- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Budgeted amounts reflected in the accompanying budget and actual comparison are as originally adopted and legally amended by the School Board during the fiscal year.
- (8) The School Board is legally required to prepare annual operating budgets on the General Fund and Special Revenue Funds. However, budget-to-actual comparisons are not legally required to be presented for the Debt Service Funds, Capital Projects Funds, and School Activity Agency Fund.





DESOTO PARISH SCHOOL BOARD  
Mansfield, Louisiana

Notes to Combined Financial Statements

(J) Vacation, Sick Leave, and Sabbatical Leave

All School Board employees earn from five to fifteen days of vacation leave each year depending upon length of service. Unused vacation leave as of December 31 can be accumulated and carried forward to the succeeding year, up to a maximum of five days.

All School Board employees except twelve-month employees, earn ten days of sick leave each year. Twelve-month School Board employees earn twelve days of sick leave each year. Teachers 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 Louisiana Teachers' Retirement System, 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 Louisiana Teachers' Retirement System 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.

The cost of leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources up to a maximum of twenty-five days is recorded in the General Long-Term Debt Account Group. No accrual is made in the governmental funds because the current portion of the liability does not exceed a normal year's accumulation of benefits and is deemed immaterial.

(K) Sales and Use Tax

The School Board receives a two-cent sales and use tax. For the year ended June 30, 1996, the tax was collected by the DeSoto Parish Sales and Use Tax Commission, forwarded to the School Board, and was dedicated as follows:

- (A) One cent of the sales and use tax, approved March 25, 1968, with no expiration date, is dedicated to supplement other revenues available for salaries of teachers and other personnel and for the operation of public elementary and secondary schools.
- (B) One-half cent of the sales and use tax, approved May 3, 1986, with no expiration date, is dedicated to supplement other revenues for payment of salaries of School Board employees.
- (C) One-half cent of the sales and use tax, approved May 3, 1986, for a period of twenty-five years, is dedicated for the purpose of air conditioning school buildings, repairing school buildings, and making capital improvements to school buildings and related facilities. The proceeds of this tax may be funded into bonds to pay the cost of air conditioning and capital improvements.