



Luther Speight & Company
Certified Public Accountants and Consultants

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Financial Statements and Schedules

June 30, 2019

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Principal Officials

School Board Members

John A. Brown, Sr.	District 1	President
Ethan Ashley	District 2	
Sarah Newell Usdin	District 3	
Leslie Ellison	District 4	Vice President
Ben Kleban	District 5	
Woody Koppel	District 6	
Nolan Marshall, Jr.	District 7	

Officers are elected for a term of one calendar year by Board Members. The 2019 officers are shown above.

Administrative Officials

Dr. Henderson Lewis, Jr., Ph.D.	Superintendent
Mary K. Garton	Assistant Superintendent
Amanda Aiken	Senior Chief and Schools Officer
Dina Hasiotis	Chief of Staff
Tiffany Delcour	Chief Operations Officer
Diane B. Allison, CPA	Chief Financial Officer

ORLEANS PARISH SCHOOL BOARD

(504) 304-3520 • OPSB.us • 2401 Westbend Parkway • Suite 5055 • New Orleans, Louisiana 70114



December 19, 2019

To: Orleans Parish School Board Members
The People of New Orleans

It is our privilege to present the audited financial statements and schedules on the fiscal condition of the Orleans Parish School Board, New Orleans, Louisiana, for the fiscal year ended June 30, 2019. The report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and is submitted in accordance with Louisiana Revised Statute Title 24, Section 514.

The Orleans Parish School Board is responsible for the accuracy, completeness, and fair presentation of the data, representations, and disclosures presented in this report. To the best of our knowledge and belief, the information presented in this report is accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations, and provides disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the Orleans Parish School Board.

GASB Codification Section 2200.106 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is intended to complement Management's Discussion and Analysis, which immediately follows the independent auditors' report and should be read in conjunction with that report.

Independent Audit

These financial statements have been audited by the firm Luther Speight and Company, CPAs, located in New Orleans, Louisiana. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Orleans Parish School Board for the fiscal year ended June 30, 2019 are free from material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of the Orleans Parish School Board for the year ended June 30, 2019 are fairly presented in accordance with accounting principles generally accepted in the United States of America. The independent auditors' report is presented immediately following Management's Discussion and Analysis.

The independent audit of the financial statements of the Orleans Parish School Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing "Single Audit" engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the testing of the government's internal controls and legal requirements involving the administration of federal awards. These reports immediately follow the statistical tables.

Accounting Control

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data is compiled to provide for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the internal accounting controls of the Orleans Parish School Board adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Profile of the Orleans Parish School Board

The New Orleans Public Schools System was established on March 26, 1841 with the assistance of America's champion of free public education, Horace Mann, to provide kindergarten through twelfth grade public education for the children of New Orleans. Before Hurricane Katrina struck New Orleans in 2005, Louisiana had created the Recovery School District (RSD) to takeover and transform failing schools. After the storm, the Recovery School District's scope was expanded to include schools performing below state averages within an academically troubled system that was plagued by severe financial distress. Both the Recovery School District and the Orleans Parish School Board eventually authorized charter schools to reform local education through decentralization based upon autonomy and accountability, while working with state and federal agencies to rebuild and modernize school infrastructure. Schools improved, student achievement increased, graduation rates rose, new and renovated campuses reopened, budgets balanced, and the Orleans Parish School Board's credit rating improved. By 2016 public officials and community leaders alike agreed that conditions were progressing to reunite the Recovery School District and Orleans Parish School Board schools under one elected local board, the Orleans Parish School Board. After an open and publicly engaged planning process, the unified school district opened on July 1, 2018. Educators, families, and community partners actively monitor and discuss how our unique, decentralized system operates in practice with Orleans Parish School Board as authorizer rather than traditional operator. Now the Orleans Parish School Board calls its administration or central office NOLA Public Schools to represent and honor the city it serves.

A board consisting of seven members elected from legally established districts is charged with the management and operation of the school system. Board members serve four-year terms; the current term expires on December 31, 2020.

In 2018-2019 the school system was composed of 87 schools:

- two schools were directly run by the Orleans Parish School Board;
- one school (two study centers) serves the educational needs of incarcerated youth;
- 23 schools were independently-chartered;
- 53 schools were chartered to 15 different charter management organizations;
- 7 schools were chartered by the state Board of Elementary and Secondary Education (BESE); and
- 1 school was authorized by the Louisiana Legislature.

For the 2018-2019 school year NOLA Public Schools had a total enrollment of approximately 46,400 students and total employment of about 400 personnel. As primarily the local authorizer of charters to operate public schools in New Orleans, the services NOLA Public Schools provide are services for students with special needs, district-wide enrollment, charter school portfolio innovation and accountability, and school support, in addition to various ancillary executive and administrative services.

The Orleans Parish School Board is a primary government, with a separately-elected governing body and is legally separate and fiscally independent of other state or local governments. The Orleans Parish School Board has eight discretely presented component units, which are other legally separate organizations for which the Orleans Parish School Board is financially accountable. Copies of submitted audited financial statements are available on the Louisiana Legislative Auditor's website, lla.la.gov. The Orleans Parish School Board also has one component unit blended with the primary government due to the closeness of their relationship with the primary government: this component unit is the Orleans Schools Facility Foundation (OSFF), a non-profit organization reported as an enterprise fund, for which separate financial statements are not issued.

The general fund budget is posted on the web site and available for public inspection beginning in early June, as published in the Orleans Parish School Board's official journal. The Board adopts the general fund budget in late June after conducting at least one public hearing to receive public input. A consolidated budget, which includes the general fund and all the special revenue funds, is posted on the web site in early August, later in August a public hearing is conducted to receive public input before the board adopts the consolidated budget. Annual budgets are adopted (funds are appropriated) for the general fund and all special revenue funds. The budget document is available in the Community, District Financials section of the website, nolapublicschools.com. The legal level of budgetary control is at the fund level.

The Local Economy

Orleans Parish, coterminous with the City of New Orleans, encompasses 350 square miles and is located on the banks of the Mississippi River and the south shore of Lake Pontchartrain with access to the Port of New Orleans, major railways, and an international airport. Orleans Parish, with a population of 391,000 and a median annual income of \$36,999, is Louisiana's third-largest parish. New Orleans has an established and widening industrial base, including stalwarts such as energy, trade, and advanced manufacturing, as well as emerging strengths like film and digital media. The tourism industry is a major driver of economic growth: in 2018 New Orleans welcomed 18.5 million visitors, an increase of 4% compared to the previous year, which accounted for over \$9 billion in spending.

The New Orleans area is expected to see an uptick in economic activity tied to a flurry of industrial projects under construction in the parishes surrounding the city over the next two years and is forecast to add 9,400 jobs in 2020, bringing the total jobs to 595,600.

Long-term Financial Planning

Long term financial planning primarily centers around equitably funding the education of all of New Orleans’ students and preserving, maintaining and constructing facilities.

In 2016-2017 the district-level funding allocation (DLFA), a citywide funding allocation to fund schools based on student needs and characteristics, was implemented. After many months of significant engagement with school operators and the public, in September 2019 the Superintendent announced changes to the weights in the district-level funding allocation designed to promote career and technical education programs and provide more funding to English language learners, gifted and talented students, and other students with special needs. These revisions, which will be effective July 1, 2020 and are shown in the table below with the changes highlighted, are the first revisions to the district-level funding allocation since its inception four years ago.

Student Category	Current Weight	New Weight
K-8 Base (Grades K-8)	1.000	1.000
HS Base (Grades 9-12)	1.050	1.045 (see CTE)
Categories (Added to Base)		
SPED Tier 1	0.200	0.200
SPED Tier 2	1.175	1.175
SPED Tier 3	1.875	1.875
SPED Tier 4	2.175	2.175
SPED Tier 5	3.000	3.000
Gifted/Talented	0.050	0.110
ELL Tier 1	0.300	0.030
ELL Tier 2	N/A	0.650
Overage	0.225	0.225
Past Incarcerated	N/A	0.225
Past Expelled	N/A	0.225
Career and Technical Education (CTE)	N/A	0.010

On June 20, 2019 House Bill 393, which became Act 430 of the 2019 Regular Legislative Session, was signed into law shifting local sales tax revenues available for the School Facilities Preservation Program to general school funding and special programs, in addition to other changes. This legislation requires the development of a long-term capital plan for each school campus and the development of policies and procedures around prioritizing the distribution of School Facilities Preservation Program funds, administering a new revolving loan fund, and administering grants available from the capital improvement fund. This work is expected to be completed by June 2020.

Major Financial Policies

Major financial policies adopted by the Orleans Parish School Board include the following:

- An annual operating budget policy requiring the allocation of funds equitably to ensure equivalence among schools in the provision of curricular materials, instructional supplies and allotment of teachers, administrators, and auxiliary personnel;
- A general fund balance reserve policy reserving at least 15% of local revenues for emergencies, 12.5% of the annual operating budget of any direct-run schools for district-operated school reserves, and the remaining fund balance reserved to address system-wide unforeseen, exceptional circumstances, such as unanticipated reduction in revenues or expenses to address unanticipated changes in the level of services needed to support students;
- A district-level funding allocation policy that requires calculating the total amount of Minimum Foundation Program (MFP) funds provided by the state in the form of an unrestricted grant to be allocated based upon student characteristics or needs;
- A purchasing policy providing the procurement method based on funding source, ensuring every opportunity is made available to include disadvantaged business concerns, and offering services to assist disadvantaged business concerns in the development and growth of their business;
- An investments policy stating that the three investment objectives in order of priority are safety, then liquidity, then yield and listing suitable investments, investment parameters, and portfolio diversification; and
- A debt limitation policy stating that debt may be incurred for the purposes of acquiring or improving land, purchasing, constructing, or improving school buildings, or for other purposes allowed by state law up to the maximum amount permitted by state law.

Major Initiatives

In November 2017 after working with a comprehensive group of local stakeholders, the School Board adopted a three-year strategic plan (available on our website, nolapublicschools.com) with the following eight goals:

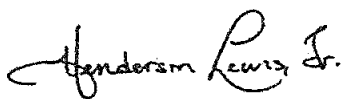
- Advance equity for all students and families;
- Increase the share of students at or above grade level in reading and math;
- Raise the high school graduation rate;
- Improve high school graduates' readiness for future success;
- Increase the number of students attending "A" and "B" schools;
- Increase the diversity of schools and programs offered to students and families;
- Expand access to early childhood education; and
- Increase public engagement and public confidence in the school system.

A current initiative working towards those goals includes designing and developing the Systemwide Needs Fund (LSA-RS 17:100.12), which will become effective on July 1, 2020. The 2019 legislation shifts about \$3 million per year in local sales tax revenues from preserving and maintaining facilities to the Systemwide Needs Program, which supports initiatives that result in coordinated districtwide improvements in areas that can be more efficiently and effectively addressed at the system level than at the school level while recognizing the need for differentiated supports that address the Orleans Parish School Board's unique charter system. Starting in August 2019 input was received from multiple advisory councils and school leaders to develop the four principles of (1) aligning law and policy; (2) being responsive to both systemic challenges and the diversity of charters' needs, perspectives and structures; (3) maximizing the available funds; and (4) incentivizing systemic action and solutions. Five key themes emerged as a result of public engagement and surveys, from which the following two areas of focus were identified: (1) teacher talent, including growing and sustaining the teacher pipeline and providing mentors to new teachers, and (2) increasing student access to mental and behavioral supports through specialized programming and initiatives.

Acknowledgments

We would like to thank the Finance department staff for not only their day-to-day work in processing financial transactions and the Superintendent and elected members of the Orleans Parish School Board for their high standards of professionalism and integrity in managing the public funds entrusted to them to educate our very precious New Orleans students.

Sincerely,

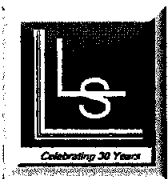


Dr. Henderson Lewis, Jr., CGFO, CLSBA
Superintendent



Diane B. Allison, CPA, CGMA,
Chief Financial Officer





Luther Speight & Company
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Orleans Parish School Board
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (School Board) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following discretely presented component units: Warren Easton Senior High School, Legacy of Excellence, Significant Educators, Elan Academy Charter School, Foundation Preparatory Charter School, Hynes Charter School, Homer A. Plessy Community School, and Rooted School. These financial statements were audited by other auditors whose reports thereon were furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, net OPEB liability and related ratios, net pension liability information and notes to required supplementary information on pages 4-13 and 104-112 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

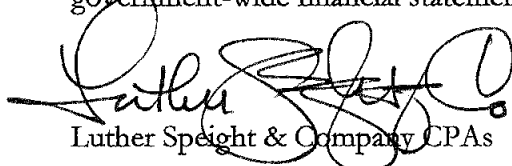
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the Orleans Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Orleans Parish School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Orleans Parish School Board's internal control over financial reporting and compliance.

Emphasis of a Matter

In May 2016, Louisiana Senate Bill 432 (Act 91) authorized the return of certain schools and facilities from the Recovery School District to the School Board to be completed no later than July 1, 2018. The financial effect related to the return of the schools is recorded in the fixed asset accounts of the government-wide financial statements for the fiscal year ended June 30, 2019.



Luther Speight & Company CPAs

New Orleans, Louisiana

December 18, 2019

Overview and Analysis of Financial Activities

The Orleans Parish School Board (School Board), as the financial manager of the Orleans Parish School System, offers the readers of these financial statements an overview and analysis of the financial activities of the School Board. This overview and analysis is designed to assist the users of these financial statements to focus on significant issues, identify significant changes in the School Board's financial position, both at the government-wide and fund levels, and highlight material changes from the School Board's approved budget.

Our discussion and analysis of the School Board's financial performance includes a section entitled *Financial Highlights* which provides an overview of its financial activities for the fiscal years ended June 30, 2019 and 2018. This discussion and analysis should be read in conjunction with the Annual Financial Report's Letter of Transmittal in the Introductory Section, the School System's Financial Statements (Financial Section) and the Notes to the Financial Statements.

Financial Highlights

- As of June 30, 2019, the School Board reported a consolidated net position of \$1.66 billion, which is an increase of \$806 million from the June 30, 2018, balance of \$854.6 million.
- As of June 30, 2019, the School Board reported a General Fund balance of \$57 million. This represents a decrease of \$6 million from the June 30, 2018, balance of \$63.0 million.
- For fiscal year 2019, Ad Valorem Tax Revenues, including the gross up for fees, totaled \$173.5 million. This represents an increase of \$4.2 million from the prior year.
- Sales Tax Revenues totaled \$148.0 million for fiscal year 2019, which represents an increase of \$8.4 million from the prior year.
- The Minimum Foundation Program (MFP) distribution from the State of Louisiana totaled \$184.6 million for fiscal year 2019. Louisiana funds public education through a block grant known as the Minimum Foundation Program, or MFP. The MFP formula is developed and approved annually by the Louisiana State Board of Elementary and Secondary Education.
- Within fiscal year 2019, expenditures on Federal and State awards totaled \$31.9 million. The largest grants were as follows: (1) U.S. Department of Homeland Security (FEMA Disaster Relief Program) = \$15.7 million; (2) U.S. Department of Education = \$9.2 million and (3) U.S. Department of Agriculture, Child Nutrition Program = \$3.7 million. These expenditures benefit OPSB students, OPSB charter school students and non-public students.
- Principal payment on the General Obligation Bonds totaled \$12.2 million. The Qualified School Construction Bond (QSCB) is required to make an annual deposit to a sinking fund for maturation. The contribution in fiscal year 2018 was \$11.2 million. Interest payments for both bonds totaled \$2.0 million.

- As of June 30, 2019, the School Board had total Long-Term debt of \$198.2 million. This is comprised of the following: (1) Bonds totaling \$99 million (2) OPEB Obligation payable of \$6.3 million; (3) Net Pension Liability of \$52.3 million; (4) Compensated Absences of \$1.7 million and (5) Claims Payable of \$38.9 million.
- As of June 30, 2019, the School Board had a fund balance of \$82.2 million in its Debt Service funds. The components are as follows: (1) General Obligation Bonds = \$12.5 million and (2) QSCB Bonds = \$69.7 million. These funds are dedicated by Board action to the repayment of the related outstanding debt.
- As of June 30, 2019, the School Board had net capital assets, book value less accumulated depreciation, of \$1.476 million. The long-term debt plus accrued interest on these capital assets totaled \$1.382 million.
- Capital project expenditures during fiscal year 2019, for both major construction and repair and maintenance projects totaled \$13.3 million.
- At June 30, 2019 the component units (i.e., the seven charter schools) had a net position of \$20.4 million. Additionally, revenue for the current fiscal year totaled \$46.9 million.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the School Board's Annual Financial Report (AFR). The basic financial statements consist of the following: (1) Government-Wide Financial Statements; (2) Fund Financial Statements; (3) Notes to the Financial Statements and (4) Supplementary Financial Information.

Government-Wide Financial Statements (pages 13 through 16) include the Statement of Net Position and Statement of Activities, which provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. In summary, the Government-Wide Financial Statements show the results of operations and financial position using the total economic resources measurement focus and the accrual basis of accounting which emphasizes the long-term financial picture and are very similar to the financial statements of the private sector.

The Fund Financial Statements (pages 15 through 25) represent information for three fund categories - governmental, proprietary and fiduciary. Financial statements for governmental funds tell how we financed our services in the short-term as well as what remains for future spending. These fund statements provide the reader with some insight into the School Board's overall financial health. In short, the fund-level financial statements show the results of operations and financial position using the current financial resources measurement focus and the modified accrual basis of accounting, emphasizing the change in fund balances as a result of the current year's operations, as well as the amount of resources available to spend.

Fund Financial Statements also report the School Board's operations in more detail than the Government-Wide Financial Statements by providing information about the School Board's most significant funds - such as the General Fund, Pass-Through Fund, General Obligation Bond Fund, QSCB Fund, Hurricane Katrina Restoration Fund, Capital Projects Fund, Master Plan Fund, Facilities Preservation Fund and the Federal Grant Fund.

The Governmental Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances include the major funds as well as an aggregate of the remaining funds that report general government operations.

The School Board maintains two types of Proprietary Funds. The Enterprise Fund is used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. An enterprise fund was established to account for the rental receipts and operating costs of a five-story building purchased. Another enterprise fund, which represents a blended component unit, was established to facilitate tax credit financing for the construction and renovation of school buildings as described in Note 21. The Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the School Board's major functions/funds. The School Board uses internal service funds for its employee health insurance, retiree health insurance and workers' compensation. Because these services predominantly benefit the governmental rather than business-type functions, they are included within governmental activities in the Government-Wide Financial Statements.

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position provide financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

Other sections include Notes to the Financial Statements (pages 26 through 86) and certain Required Supplementary Information (pages 87 through 95). Included in the Required Supplementary Information is a comparison of the General Fund budget with actual results on pages 87 through 88. Over the course of the year, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures.

Reporting on School Board as a Whole

Government-Wide Financial Analysis

The following analysis focuses on the Statement of Net Position (Table 1) and Statement of Activities (Table 2) of the School Board's governmental and business-type activities:

Table 1
Condensed Comparative Statement of Net Position (In Thousands)
At June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 321,579	\$ 255,563	\$ 10,259	\$ 5,010	\$ 331,838	\$ 260,573
Capital Assets, Net	1,469,391	609,779	6,783	6,899	1,476,174	616,678
Loan Receivable and Accrued Interest	-	-	126,731	129,284	126,731	129,284
Long-Term Receivable RSD	6,166	91,676	-	-	6,166	91,676
Total Assets	1,797,136	957,018	143,771	141,193	1,940,907	1,098,211
Deferred Outflows of Resources	9,279	8,164	-	-	9,279	8,164
Current and Other Liabilities	84,031	23,216	796	360	84,827	23,576
Long-Term Liabilities	198,206	218,088	-	59	198,206	218,147
Total Liabilities	282,237	241,304	796	419	283,033	241,723
Deferred Inflows of Resources	5,552	10,054	-	-	5,552	10,054
Net Position:						
Net Investment in Capital						
Assets						
Restricted	1,376,152	589,599	6,782	6,898	1,382,933	596,497
Unrestricted	164,049	125,625	-	-	164,049	125,625
Liabilities	(21,386)	(1,401)	136,194	133,876	114,808	132,475
Total Net Position	\$ 1,518,814	\$ 713,823	\$ 142,976	\$ 140,774	\$ 1,661,790	\$ 854,597

The School Board's net position was \$1.661 billion at June 30, 2019, and \$854 million at June 30, 2018. Of which, \$114.8 million and \$132.4 million were unrestricted at June 30, 2019 and 2018 respectively. Restricted net position is reported separately to show legal constraints from debt covenants, capital projects and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. As of June 30, 2019 and 2018, the restricted net position amounted to \$164.0 million and \$125.6 million, respectively.

Current and other assets increased from June 30, 2018 to June 30, 2019, by \$71 million.

Net capital assets increased from June 30, 2018 to June 30, 2019, by \$860 million primarily due to the transfer of properties from the RSD. See Notes 2 and 6, Capital Assets in the accompanying financial statements for additional discussion regarding depreciation methods and related accumulated depreciation. Due to the enactment of the school re-unification process, transfers of property occurred during fiscal year 2019.

Total liabilities increased by \$41 million primarily due to an increase in accounts payables. Long-term liabilities decreased by \$24 million. This net change is composed of a decrease in Bonds Payable by \$10.8 million, and decreases in Net Pension Liability of \$17.1 million and OPEB Obligation Liability by a negligible amount. These decreases were offset by an increase in Accrued Compensated Absences of \$1.3 million and Liability for Claims Payable of \$14.1 million.

Table 2
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2019 and 2018

Governmental Activities	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 3,576	\$ 120	\$ 4,117	\$ 1,267	\$ 7,693	\$ 1,387
Operating Grants	22,665	61,380	-	-	22,665	61,380
Capital Grants	17,303	7,724	-	-	17,303	7,724
Total Program Revenues	43,544	69,224	4,117	1,267	47,660	70,491
General Revenues						
Ad Valorem Taxes	173,511	169,282	-	-	173,511	169,282
Sales and Use Taxes	148,007	139,638	-	-	148,007	139,638
State Revenue Sharing	2,840	2,839	-	-	2,840	2,839
Interest and Investment Earnings	1,631	870	2,929	2,042	4,560	2,912
Internal Service Funds Net Operating Gain	-	-	-	-	-	-
Minimum Foundation Program (MFP)	184,607	24,694	-	-	184,607	24,694
Donation of Capital Assets	1	169	-	-	1	169
Gain on Disposal/Sale of Capital Assets	-	-	-	32,112	-	32,112
Contributions and Donations	777,248	158,319	-	10,522	777,248	168,841
Judgments	31	26	-	-	31	26
Other General Revenues	17,132	34,467	-	-	17,132	34,467
Total General Revenues	1,305,008	530,304	2,928	44,676	1,307,936	574,980
Total Revenues	\$ 1,348,552	\$ 599,528	\$ 7,045	\$ 45,943	\$ 1,355,597	\$ 645,471

Table 2 (Continued)
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2019 and 2018

Governmental Activities	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Functions/Program						
Instruction						
Regular Education Programs	\$ 9,178	\$ 16,386	\$ -	\$ -	\$ 9,178	\$ 16,386
Special Education Programs	5,190	5,896	-	-	5,190	5,896
Other Educational Programs	11,947	13,295	-	-	11,947	13,295
Support Services						
Student Services	11,151	6,861	-	-	11,151	6,861
Instructional Staff Support	3,538	5,155	-	-	3,538	5,155
General Administration	26,240	22,165	-	-	26,240	22,165
School Administration	1,848	4,680	-	-	1,848	4,680
Business Services	2,535	2,117	-	-	2,535	2,117
Student Transportation Services	1,901	4,069	-	-	1,901	4,069
Central Services	3,014	4,070	-	-	3,014	4,070
Plant Services	20,665	10,633	-	-	20,665	10,633
Other	5,842	1,628	-	-	5,842	1,628
Food Services	5,017	4,291	-	-	5,017	4,291
Transfer to RSD Schools - Local MFP	-	234,848	-	-	-	234,848
Transfer to Charter Schools - Local and State MF	433,915	34,195	-	-	433,915	34,195
Interest on Long-Term Debt	281	936	-	-	281	936
Transfer to Other LEA	-	-	-	1,720	-	1,720
Rental Properties	-	-	4,844	1,898	4,844	1,898
Total Expenses	542,259	371,225	4,844	3,618	547,103	374,843
Changes in Net Position Before Transfers	806,293	228,303	2,202	42,324	808,494	270,627
Transfers	(1,300)	-	-	-	(1,300)	-
Changes in Net Position	804,993	228,303	2,202	42,324	807,194	270,627
Net Position - June 30, 2018	713,822	492,108	140,774	98,450	854,596	590,558
Prior Period Adjustment	-	(6,589)	-	-	-	(6,589)
Net Position - June 30, 2019	\$ 1,518,815	\$ 713,822	\$ 142,976	\$ 140,774	\$ 1,661,790	\$ 854,596

Total revenues for all governmental and business-type activities for the fiscal years ended June 30, 2019 and June 30, 2018, were \$1.356 billion and \$645.5 million, respectively. The increase is due primarily to increases in Contributions and Donations of Capital Assets, Other General Revenues, Ad Valorem Taxes, MFP funding and Sales and Use Taxes revenue.

As reported in the Statement of Activities (Table 2) the total cost of all governmental and business-type activities for the fiscal years ended June 30, 2019 and June 30, 2018, were \$547.1 million and \$374.8 million, respectively. The overall increase is mainly due to an increase in Transfer to Charter Schools. The Transfer to the RSD Schools represents their share of local revenues for the fiscal year based on the ratio of students serviced by each entity. The Transfers to Charter Schools represent their share of state MFP and local revenue share based on their student population. The School Board continues to focus on the provisions of instructional and related support services aimed at all of its student population.

Table 3, Comparable Governmental and Business-Type Activities, reflects the gross cost of program services and the net costs after taking into account the program revenues for the governmental and business-type activities. General revenues (including tax revenues), investment earnings and unrestricted State revenues are used to support the net remaining costs of the School Board activities.

Table 3
Comparable Governmental and Business-Type Activities (in Thousands)

Description	June 30, 2019		June 30, 2018	
	Gross Cost of Services	Net Cost of Services	Gross Cost of Services	Net Cost of Services
GOVERNMENTAL ACTIVITIES				
Regular Education Programs	\$ 9,178	\$ 6,713	\$ 16,386	\$ 10,610
Special Education Programs	5,190	2,361	5,896	1,213
Other Education Programs	11,947	(623)	13,295	(15,276)
Student Services	11,151	3,967	6,861	(3,114)
Instructional Staff Support	3,538	1,089	5,155	(4,944)
General Administration	26,240	20,713	22,165	19,854
School Administration	1,848	1,459	4,680	4,192
Business Services	2,535	1,990	2,117	1,883
Student Transportation Services	1,901	1,367	4,069	3,623
Central Services	3,014	2,302	4,070	3,470
Plant Services	20,665	16,311	10,633	9,525
Other	5,842	5,842	1,628	1,628
Food Services	5,017	1,030	4,291	(642)
Transfer to RSD Schools - Local MFP	-	-	234,848	234,847
Transfer to Charter Schools - Local and State MFP	433,915	433,915	34,195	34,195
Interest on Long-Term Debt	281	281	936	936
	<u>\$ 542,259</u>	<u>\$ 498,716</u>	<u>\$ 371,226</u>	<u>\$ 302,000</u>
BUSINESS-TYPE ACTIVITIES				
Rental Properties	\$ 4,844	\$ 727	\$ 1,898	\$ 632
Transfers to Other LEA	-	-	1,720	1,720
	<u>\$ 4,844</u>	<u>\$ 727</u>	<u>\$ 3,618</u>	<u>\$ 2,352</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 547,103</u>	<u>\$ 499,443</u>	<u>\$ 374,843</u>	<u>\$ 304,353</u>

Overall, the net cost of services in fiscal 2019 increased by \$180 million, primarily due to the increase in MFP Transfers to Charter Schools offset by a reduction in MFP Transfers to RSD Schools.

Reporting on the Individual Funds

Fund Financial Analysis

Our analysis of the School Board's major funds begins on page 18 of the basic financial statements. The Fund Financial Statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board has established other funds for particular purposes (such as the Child Nutrition) to help it control, manage and reflect legal responsibilities for using certain taxes, grants and other funds (such as grants from the Department of Education). The School Board's funds (governmental, proprietary and fiduciary) use the following accounting approach:

Governmental Funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on funds flowing into and out of funds and the balances left at year-end that are available for spending. Said funds are reported using an accounting method called modified accrual accounting. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds, through reconciliation to the basic financial statements, is described on page 22 of the financial statements.

Proprietary Funds - Proprietary funds for the School Board use the accrual basis of accounting, the same as on the government-wide statements. The Internal Service funds are used to account for the financing services provided by the School Board's departments (such as employee health, retiree health and workers' compensation). The Enterprise Fund is used to account for the rental receipts and operating costs of a five story building owned by the School Board as well as a blended component unit that facilitates new market tax credit financing for the construction and renovation of school buildings. The Statement of Net Position, Statement of Revenues Expenses and Changes in Net Position and Statement of Cash Flows reports are presented on pages 23 through 26 of the basic financial statements.

Fiduciary Funds - The School Board is the trustee, or fiduciary, for its student activities funds. All of the School Board's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 27 and 28 of the basic financial statements, respectively. We exclude these activities from the School Board's other financial statements because the assets cannot be utilized by the School Board to finance its operations.

Capital Asset and Debt Administration

Capital Assets

The School Board's capital assets include land, buildings and improvements, furniture and equipment, transportation equipment and construction-in-progress. A comparative analysis of capital assets as of June 30, 2019 and 2018, is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 26,606,757	\$ 26,606,757	\$ 1,440,992	\$ 1,440,992	\$ 28,047,749	\$ 26,921,915
Buildings and Improvement	1,477,516,119	634,553,253	6,372,157	6,372,157	1,483,888,276	466,057,693
Furniture and Equipment	24,813,475	24,813,475	-	-	24,813,475	13,444,500
Construction in Progress	35,625,933	10,897,767	-	-	35,625,933	15,293,369
	1,564,562,284	696,871,252	7,813,149	7,813,149	1,572,375,433	521,717,477
Accumulated Depreciation	(95,171,523)	(87,092,608)	(1,036,573)	(792,755)	(96,208,096)	(82,213,792)
Total	\$ 1,469,390,761	\$ 432,483,291	\$ 6,776,576	\$ 7,020,394	\$ 1,476,167,337	\$ 439,503,685

Overall net capital assets increased from June 30, 2018 to June 30, 2019, by \$1.037 billion. This increase reflects construction pursuant to the City of New Orleans' master plan to re-build schools and the transfer of buildings and furniture and equipment from the RSD. Additional information on Capital Assets can be found in Note 2, Summary of Significant Accounting Policies and Note 6, Capital Assets.

On November 6, 2008, the School Board approved a Master Plan for Orleans Parish school facilities. The Master Plan provides a blueprint for determining which school facilities will be rebuilt and which sites will be renovated. During October 2011, the School Board and RSD completed a revised Master Plan that incorporated cost savings made possible through the standardization of systems across all school facilities that will be constructed or rehabilitated. A complete copy of the Master Plan is available on the School Board's web site: www.nolapublicschools.com.

Long-Term Debt

Obligations include bonds and other long-term obligations (accrued vacation and sick leave pay). More detailed information about long-term liabilities is presented in Note 9 in the notes to the accompanying financial statements and in earlier sections of this Management's Discussion and Analysis (MD&A).

Pursuant to the requirements of LSA-R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of the taxable property (including homestead exempt and non-exempt property) within the Parish of Orleans. At June 30, 2018, the statutory debt limit for general obligation bonds is \$949,778,595 with a net legal debt margin of \$936,261,011.

Economic Factors and Next Year's Budget

The economic viability of the School Board is related primarily to the Ad Valorem and Sales Tax Revenues and MFP. For fiscal year 2019, the School Board reflected increased Ad Valorem and Sales Tax Revenues. Ad Valorem Tax increases reflect higher assessments. The Sales Tax base growth is attributable to commercial development inclusive of the Louisiana State University's medical complex center near the central business district, new retail developments including a high-end retail outlet and increased population.

Contacting the School Board's Financial Management

This financial report is designed to provide the citizens, taxpayers, parents, students, investors and creditors with a general overview of the School Board's finances and to provide accountability for the funds it receives. If you have questions about this report or wish to request additional financial information, please call Diane Allison at 504-304-4185, 2401 Westbend Parkway., Ste. 5055, New Orleans, LA 70114-4000.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Position
June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ -	\$ 14,021,600	\$ 14,021,600	\$ 19,147,154
Taxes Receivable				
Sales Taxes	23,823,738	-	23,823,738	-
Ad Valorem Taxes	2,253,057	-	2,253,057	-
Due from Other Governments	23,875,259	3,633	23,878,892	639,063
Internal Balances	4,925,906	(4,925,906)	-	-
Pooled Cash and Investments	209,049,830	1,156,708	210,206,538	-
Prepaid Items	400,781	-	400,781	189,860
Inventory	54,135	-	54,135	27,715
Other Receivables	326,825	2,500	329,325	3,018,800
Other	-	-	-	47,499
Long-Term Accounts Receivable - RSD	6,165,708	-	6,165,708	-
Loan Receivable and Accrued Interest	-	126,730,923	126,730,923	-
Restricted Investments	56,869,885	-	56,869,885	-
Capital Assets				
Land	26,606,757	1,440,992	28,047,749	-
Construction in Progress	35,625,932	-	35,625,932	-
Capital Assets, Net of Accumulated Depreciation	1,407,158,071	5,340,777	1,412,498,848	2,152,480
Total Assets	1,797,135,884	143,771,227	1,940,907,111	25,222,571
Deferred Outflows of Resources				
Deferred Outflows on Pension Obligation	9,279,434	-	9,279,434	-
Deferred Outflows on OPEB Pension Obligation	188,532	-	188,532	-
Total Deferred Outflows of Resources	9,467,966	-	9,467,966	-
Liabilities				
Accounts Payable	11,723,787	745,418	12,469,205	2,224,954
Payroll Withholdings	1,714,521	-	1,714,521	-
Salaries Payable	235,170	-	235,170	1,295,748
Other Payables	1,083,982	50,109	1,134,091	945,168
Accrued Interest Payable	398,293	-	398,293	-
Due to Fiduciary Funds	389,702	-	389,702	-
Due to Other Governments	3,513,476	-	3,513,476	-
Equity in Pooled Cash	54,116,166	-	54,116,166	-
Unearned Revenues	1,055,147	-	1,055,147	85,342
Funds Held for Future Distribution	9,800,762	-	9,800,762	-
Long-Term Liabilities				
Bonds, Notes and Loans Due Within One Year	10,084,095	-	10,084,095	8,376
Bonds, Notes and Loans Due in More Than One Year	88,922,383	-	88,922,383	266,960
Compensated Absences Due in More Than One Year	1,743,903	-	1,743,903	-
OPEB Obligation Payable	6,278,644	-	6,278,644	-
Net Pension Liability	52,275,067	-	52,275,067	-
Claims Payable Due Within One Year	-	-	-	-
Claims Payable Due in More Than One Year	38,902,137	-	38,902,137	-
Total Liabilities	282,237,235	795,527	283,032,762	4,826,548

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Net Position (Continued)
 June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Deferred Inflows of Resources				
Deferred Inflows on Pension Obligation	5,414,473	-	5,414,473	-
Deferred Inflows on OPEB Obligation	137,683	-	137,683	-
Total Deferred Inflows of Resources	5,552,156	-	5,552,156	-
Net Position				
Net Investment in Capital Assets	1,376,151,697	6,781,769	1,382,933,466	-
Restricted for:				
Debt Service	82,179,228	-	82,179,228	-
Capital Projects	81,869,710	-	81,869,710	-
Instructional Services	-	-	-	-
Student Activities	-	-	-	738,044
Unrestricted	(21,386,176)	136,193,931	114,807,755	19,657,979
Total Net Position	\$ 1,518,814,459	\$ 142,975,700	\$ 1,661,790,159	\$ 20,396,023

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Activities
 Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
Instruction								
Regular Education Programs	\$ 9,177,615	\$ -	\$ 831,205	\$ 1,633,645	\$ (6,712,765)	\$ -	\$ (6,712,765)	\$ -
Special Education Programs	5,189,814	-	1,904,539	923,804	(2,361,471)	-	(2,361,471)	-
Other Education Programs	11,946,578	-	10,443,497	2,126,529	623,448	-	623,448	-
Support Services								
Student Services	11,150,900	-	5,198,982	1,984,896	(3,967,022)	-	(3,967,022)	-
Instructional Staff Support	3,537,557	-	1,818,902	629,697	(1,088,958)	-	(1,088,958)	-
General Administration Services	26,240,119	-	856,745	4,670,826	(20,712,548)	-	(20,712,548)	-
School Administration Services	1,848,094	-	60,341	328,967	(1,458,786)	-	(1,458,786)	-
Business Services	2,535,423	-	93,925	451,314	(1,990,184)	-	(1,990,184)	-
Student Transportation Services	1,901,265	-	195,615	338,431	(1,367,219)	-	(1,367,219)	-
Central Services	3,014,076	-	175,156	536,515	(2,302,405)	-	(2,302,405)	-
Plant Services	20,664,505	-	674,701	3,678,349	(16,311,455)	-	(16,311,455)	-
Other	5,842,446	-	-	-	(5,842,446)	-	(5,842,446)	-
Food Services	5,016,822	3,576,237	410,975	-	(1,029,610)	-	(1,029,610)	-
Transfer to Charter Schools	433,914,540	-	-	-	(433,914,540)	-	(433,914,540)	-
Interest on Long-Term Debt	280,629	-	-	-	(280,629)	-	(280,629)	-
Total Governmental Activities	542,260,383	3,576,237	22,664,583	17,302,973	(498,716,590)	-	(498,716,590)	-
Business-Type Activities								
Rental Properties	4,844,528	4,117,240	-	-	-	(727,288)	(727,288)	-
Transfer to Other LEA	-	-	-	-	-	-	-	-
Total Business-Type Activities	4,844,528	4,117,240	-	-	-	(727,288)	(727,288)	-
Total Primary Government	547,104,911	7,693,477	22,664,583	17,302,973	(498,716,590)	(727,288)	(499,443,878)	-
Component Units								
Ben Franklin Elementary	8,755,017	-	-	-	-	-	-	(8,755,017)
Bethune Elementary	6,849,567	-	-	-	-	-	-	(6,849,567)
Elan Academy	1,831,339	-	-	-	-	-	-	(1,831,339)
Foundation Prep	2,214,342	-	-	-	-	-	-	(2,214,342)
Edward Hynes	8,073,055	-	-	-	-	-	-	(8,073,055)
Homer A. Plessy	4,158,001	-	-	-	-	-	-	(4,158,001)
Rooted School	2,057,161	-	-	-	-	-	-	(2,057,161)
Warren Easton	13,229,683	-	-	-	-	-	-	(13,229,683)
Total Component Units	47,168,165	-	-	-	-	-	-	(47,168,165)

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Activities (Continued)
 Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Net Expenses from Previous Page				(498,716,590)	(727,288)	(499,443,878)	(47,168,165)	
General Revenues								
Taxes								
Ad Valorem (Property) Taxes				173,510,890	-	173,510,890	-	
Sales and Use Taxes				148,006,505	-	148,006,505	-	
State Revenue Sharing				2,839,631	-	2,839,631	-	
Minimum Foundation Program (MFP)				184,606,792	-	184,606,792	-	
Minimum Foundation Program and Local Share				-	-	-	37,129,771	
Orleans Parish School Board, State and Other Grants and Contracts				-	-	-	6,606,494	
Interest and Investment Earnings				1,631,395	2,928,894	4,560,289	156,292	
Gain on Sale of Capital Assets				-	-	-	-	
Internal Service Funds Net Operating Loss				-	-	-	-	
Contributions and Donations				777,248,187	-	777,248,187	-	
Judgments				31,018	-	31,018	-	
Proceeds from Insurance Settlement				1,431	-	1,431	-	
Miscellaneous				17,132,280	-	17,132,280	3,071,284	
Transfers				(1,300,000)	-	(1,300,000)	-	
Total General Revenues, Transfers and Special Items				1,303,708,129	2,928,894	1,306,637,023	46,963,841	
Change in Net Position				804,991,539	2,201,606	807,193,145	(204,324)	
Net Position - June 30, 2018				713,822,920	140,774,094	854,597,014	20,600,347	
Prior Period Adjustment - Other Postemployment Benefit Obligation				-	-	-	-	
Net Position - June 30, 2018 - Restated				713,822,920	140,774,094	854,597,014	20,600,347	
Net Position - June 30, 2019				\$ 1,518,814,459	\$ 142,975,700	\$ 1,661,790,159	\$ 20,396,023	

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Balance Sheet
 Governmental Funds
 June 30, 2019

	General Fund	Pass-Through Fund	General Obligation Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Master Plan Fund	Facilities Preservation Fund	Federal Grant Fund	Other Governmental Funds	Total
Assets											
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable											
Sales Taxes	-	23,823,738	-	-	-	-	-	-	-	-	23,823,738
Ad Valorem Taxes	-	2,253,057	-	-	-	-	-	-	-	-	2,253,057
Due from Other Funds	5,565,180	-	-	-	-	-	2,014,162	-	-	-	7,579,342
Due from Other Governments	4,608,874	3,677,438	-	-	-	-	-	400,165	11,325,349	3,863,433	23,875,259
Equity in Pooled Cash	54,652,777	-	12,505,490	12,803,853	15,947,750	35,953,767	-	63,232,069	195,053	10,099,650	205,390,409
Prepaid Items and Other Assets	-	-	-	-	-	51,000	-	-	-	-	51,000
Inventory	-	-	-	-	-	-	-	-	-	54,135	54,135
Other Receivables	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments	-	-	-	56,869,885	-	-	-	-	-	-	56,869,885
Total Assets	\$ 64,826,831	\$ 29,754,233	\$ 12,505,490	\$ 69,673,738	\$ 15,947,750	\$ 36,004,767	\$ 2,014,162	\$ 63,632,234	\$ 11,520,402	\$ 14,017,218	\$ 319,896,825
Liabilities and Fund Balances											
Liabilities											
Accounts Payable	2,604,441	1,071,204	-	-	3,091,485	1,305,737	-	1,540,128	579,377	927,832	11,120,204
Payroll Withholdings	1,714,521	-	-	-	-	-	-	-	-	-	1,714,521
Salaries Payable	235,170	-	-	-	-	-	-	-	-	-	235,170
Due to Other Funds	-	-	-	-	-	-	1,690,936	-	-	962,500	2,653,436
Due to Fiduciary Funds	389,700	-	-	-	-	-	-	-	-	-	389,700
Due to Other Governments	2,307,552	814,833	-	-	-	-	362,882	-	28,209	-	3,513,476
Equity in Pooled Cash	-	26,718,469	-	-	-	-	17,079,522	-	9,536,375	781,800	54,116,166
Unearned Revenues	-	-	-	-	-	-	-	-	-	90,704	90,704
Funds Held for Future Distribution	-	1,149,727	-	-	-	8,651,035	-	-	-	-	9,800,762
Total Liabilities	7,251,384	29,754,233	-	-	3,091,485	9,956,772	19,133,340	1,540,128	10,143,961	2,762,836	83,634,139
Fund Balances (Deficit)											
Nonspendable:											
Inventory	-	-	-	-	-	-	-	-	-	54,135	54,135
Restricted for:											
Debt Service	-	-	12,505,490	69,673,738	-	-	-	-	-	-	82,179,228
Grant Programs	-	-	-	-	-	-	-	-	1,376,441	-	1,376,441
Capital Projects	-	-	-	-	12,856,265	-	-	62,092,106	-	6,921,339	81,869,710
Committed for:											
Capital Projects	-	-	-	-	-	26,047,995	-	-	-	-	26,047,995
Emergencies	54,358,265	-	-	-	-	-	-	-	-	-	54,358,265
District-Operated Schools	3,217,182	-	-	-	-	-	-	-	-	-	3,217,182
Assigned to:											
Special Programs	-	-	-	-	-	-	-	-	-	4,278,908	4,278,908
Unassigned	-	-	-	-	-	-	(17,119,178)	-	-	-	(17,119,178)
Total Fund Balances (Deficit)	57,575,447	-	12,505,490	69,673,738	12,856,265	26,047,995	(17,119,178)	62,092,106	1,376,441	11,254,382	236,262,686
Total Liabilities and Fund Balances	\$ 64,826,831	\$ 29,754,233	\$ 12,505,490	\$ 69,673,738	\$ 15,947,750	\$ 36,004,767	\$ 2,014,162	\$ 63,632,234	\$ 11,520,402	\$ 14,017,218	\$ 319,896,825

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

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019**

Total Fund Balances at June 30, 2019 - Governmental Funds		\$ 236,262,686
Cost of Capital Assets at June 30, 2019	1,564,562,284	
Less: Accumulated Depreciation as of June 30, 2019		
Buildings	(82,867,222)	
Movable Property	<u>(12,304,301)</u>	1,469,390,761
Accounts Receivable - RSD		6,165,708
Consolidation of Internal Service Funds		1,684,019
Deferred Outflows on Pension Obligation	9,279,434	
Deferred Inflows on Pension Obligation	<u>(5,414,473)</u>	3,864,961
Deferred Inflows on OPEB Obligation		(137,683)
Short-Term Interest Payable		(209,765)
Long-Term Liabilities at June 30, 2019		
Bonds Payable	(97,995,000)	
Bond Premium	(1,011,478)	
Claims Payable	(38,902,137)	
OPEB Obligation Payable	(6,278,644)	
Pension Obligation Payable	(52,275,067)	
Compensated Absences Payable	<u>(1,743,903)</u>	<u>(198,206,229)</u>
Total Net Position at June 30, 2019 - Governmental Activities		<u>\$ 1,518,814,459</u>

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Governmental Funds
 Fiscal Year Ended June 30, 2019

	General Fund	Pass-Through Fund	General Obligation Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Master Plan Fund	Facilities Preservation Fund	Federal Grant Fund	Other Governmental Funds	Total
Revenues											
Local Sources											
Ad Valorem Taxes	4,250,061	150,445,393	8,627,859	-	-	-	-	10,187,576	-	-	\$ 173,510,889
Sales and Use Tax	3,295,221	121,573,100	-	11,722,888	-	-	-	11,415,296	-	-	148,006,505
Earnings on Investments	804,262	-	-	792,098	-	-	35,036	-	-	-	1,631,396
Food Services	-	-	-	-	-	-	-	-	-	3,576,237	3,576,237
Donations	53,984	-	-	-	-	-	-	125,000	1,106,960	6,348,051	7,633,995
Other	13,389,140	-	-	-	-	9,500	-	2,025,867	-	1,637,773	17,132,280
State and Federal Sources											
Minimum Foundation Program	5,988,787	178,576,160	-	-	-	-	-	-	-	41,845	184,606,792
State Revenue Sharing	2,839,631	-	-	-	-	-	-	-	-	-	2,839,631
Other	2,292,945	-	-	-	-	-	-	-	461,778	419,173	3,173,796
Federal Sources	99,241	-	-	-	15,782,929	500,000	-	-	12,264,009	513,583	29,159,762
Total Revenues	33,013,172	450,594,653	8,627,859	12,514,986	15,782,929	509,500	35,036	23,823,739	13,832,747	12,536,662	571,271,283
Expenditures											
Current											
Instruction											
Regular Programs	6,377,817	-	-	-	2,022	-	-	-	319,330	115,269	6,814,438
Special Programs	2,811,115	-	-	-	-	-	-	-	1,042,355	-	3,853,470
Other Programs	2,409,460	-	-	-	-	-	-	-	6,039,601	421,350	8,870,411
Support											
Student Services	5,374,977	-	-	-	-	-	-	-	2,904,567	72	8,279,616
Instructional Staff Support	1,496,559	-	-	-	-	-	-	107,297	1,023,317	(514)	2,626,659
General Administration	6,487,469	11,270,955	348,185	191,899	-	(30)	-	597,493	-	587,486	19,483,457
School Administration	1,372,223	-	-	-	-	-	-	-	-	-	1,372,223
Business Services	1,875,874	-	-	-	-	-	-	-	6,694	-	1,882,568
Student Transportation Services	1,331,478	-	-	-	-	-	-	-	80,223	-	1,411,701
Central Services	2,191,866	-	-	-	-	-	-	-	46,105	-	2,237,971
Plant Services	10,322,270	-	-	-	-	60,058	-	4,532,885	-	428,315	15,343,528
Food Services	-	-	-	-	-	-	-	-	-	5,016,822	5,016,822
Capital Outlay	-	-	-	-	15,997,688	13,303,458	-	456,620	-	346,130	30,103,896
Other	4,320,180	-	-	-	-	-	-	1,522,266	-	-	5,842,446
Debt Service											
Principal Retirement	-	-	11,420,000	107,831	-	-	-	-	-	-	11,527,831
Interest and Bank Charges	-	-	1,196,600	114,788	-	-	-	-	-	-	1,311,388
Total Expenditures	46,371,288	11,270,955	12,964,785	414,518	15,999,710	13,363,486	-	7,216,561	11,462,192	6,914,930	125,978,425
Excess (Deficiency) of Revenues											
Over (Under) Expenditures	(13,358,116)	439,323,698	(4,336,926)	12,100,468	(216,781)	(12,853,986)	35,036	16,607,178	2,370,555	5,621,732	445,292,858

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Revenues, Expenditures and
 Changes in Fund Balances (Continued)
 Governmental Funds
 Fiscal Year Ended June 30, 2019

	General Fund	Pass-Through Fund	General Obligation Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Master Plan Fund	Facilities Preservation Fund	Federal Grant Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)											
Proceeds from Insurance Settlements	1,431	-	-	-	-	-	-	-	-	-	1,431
Judgments	31,018	-	-	-	-	-	-	-	-	-	31,018
Transfers In	8,892,739	-	-	-	-	-	-	-	-	27,491	8,920,230
Transfers Out	(1,300,000)	-	-	-	-	(2,171,912)	-	(556,070)	(885,127)	(5,307,115)	(10,220,230)
Transfers Out - Charter Schools	312,831	(439,323,698)	-	-	-	-	-	-	-	-	(439,010,867)
Total Other Financing Sources (Uses)	7,938,019	(439,323,698)	-	-	-	(2,171,912)	-	(556,070)	(885,127)	(5,279,624)	(440,278,418)
Net Change in Fund Balances	(5,420,097)	-	(4,336,920)	12,100,468	(216,781)	(15,025,898)	35,036	16,051,102	1,485,428	342,108	5,014,440
Fund Balances, June 30, 2018	62,995,544	-	16,842,416	57,573,270	13,073,046	41,073,893	(17,154,214)	46,041,004	(108,987)	10,912,275	231,248,247
Fund Balances, June 30, 2019	\$ 57,575,447	\$ -	\$ 12,505,490	\$ 69,673,738	\$ 12,856,265	\$ 26,047,995	\$ (17,119,178)	\$ 62,092,106	\$ 1,376,441	\$ 11,254,383	\$ 236,262,687

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Reconciliation of the Governmental Funds Statement of
 Revenues, Expenditures and Changes in Fund Balances
 to the Statement of Activities
 Fiscal Year Ended June 30, 2019

Excess of Expenditures and Other Uses Over Revenues and		
Other Financing Sources - Total Governmental Funds		\$ 5,014,440
Capital Assets		
Capital Outlay and Other Expenditures Capitalized	117,305,774	
Assets Returned from the RSD	750,385,258	
Depreciation Expense for Year Ended June 30, 2019	<u>(8,078,915)</u>	859,612,117
Change in Net Assets of Internal Service Funds		-
Reduction in Due from the RSD due to Assets Returned		(85,459,059)
GASB 68 requires a prescribed method of pension expense recognition within the School System's government-wide financial statements.		5,200,540
GASB 75 requires a prescribed method of other postemployment benefits expense recognition within the School System's government-wide financial statements.		(45,267)
Long-Term Debt		
Bond Premium, Net	844,095	
Principal Portion of Debt Service and Capital Lease Payments	11,420,000	
Decrease in Accrued Interest	186,664	
Increase in Estimate of Long-Term Claims Payable	6,497,449	
Excess of Compensated Absences Earned Over Amounts Used	<u>1,720,560</u>	<u>20,668,768</u>
Change in Net Position - Governmental Activities		\$ 804,991,539

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Activities</u>
		<u>Orleans Schools</u>		<u>Internal</u>
	<u>Timbers</u>	<u>Facility Foundation</u>	<u>Totals</u>	<u>Service</u>
Assets				
Current				
Cash and Cash Equivalents	\$ -	\$ 14,021,600	\$ 14,021,600	\$ -
Equity in Pooled Cash	1,156,708	-	1,156,708	3,659,421
Other Receivables	2,500	-	2,500	326,825
Due from Other Governments	3,633	-	3,633	-
Loan Receivable and Accrued Inter	-	1,750,602	1,750,602	-
Prepaid Items and Other Assets	-	-	-	349,781
Noncurrent				
Loan Receivable	-	124,980,321	124,980,321	-
Capital Assets				
Land	1,440,992	-	1,440,992	-
Net Investment in Capital Assets	5,340,777	-	5,340,777	-
Total Assets	7,944,610	140,752,523	148,697,133	4,336,027
Liabilities and Net Position				
Liabilities				
Current				
Accounts Payable	653,284	92,135	745,419	603,582
Deposit Payable	50,109	-	50,109	-
Due to Other Funds	-	4,925,906	4,925,906	-
Equity in Pooled Cash	-	-	-	-
Noncurrent				
Claims Payable	-	-	-	1,083,982
Unearned Revenue	-	-	-	964,443
Total Liabilities	703,393	5,018,041	5,721,433	2,652,007
Net Position				
Unrestricted	7,241,217	135,734,482	142,975,699	1,684,019
Total Net Position	\$ 7,241,217	\$ 135,734,482	\$ 142,975,699	\$ 1,684,019

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Revenues, Expenses
 and Changes in Net Position
 Proprietary Funds
 Fiscal Year Ended June 30, 2019

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
Operating Revenues				
Employer Contributions	\$ -	\$ -	\$ -	\$ 4,884,183
Retiree Contributions	-	-	-	808,443
Employee Contributions	-	-	-	13,467
Workers Compensation Reimbursement	-	-	-	406,093
Rental Income	1,222,086	-	1,222,086	-
Other Miscellaneous	5,504	2,889,650	2,895,154	-
Total Operating Revenues	1,227,590	2,889,650	4,117,240	6,112,186
Operating Expenses				
Business Services	121,909	-	121,909	-
Central Services	-	-	-	5,557,633
Plant Services	1,737,346	-	1,737,346	-
Student Transportation Services	-	-	-	-
General Administrative	10,769	-	10,769	554,553
Capital Outlay	32,154	6,500	38,654	-
Other Expenses	-	2,935,850	2,935,850	-
Total Operating Expenses	1,902,178	2,942,350	4,844,529	6,112,186
Operating Loss	(674,589)	(52,700)	(727,289)	-
Nonoperating Revenues				
Interest Income	-	2,928,894	2,928,894	-
Contributions and Donations	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Transfers Out - Other LEA	-	-	-	-
Total Nonoperating Revenues	-	2,928,894	2,928,894	-
Change in Net Position	(674,589)	2,876,194	2,201,605	-
Net Position - Beginning	7,915,806	132,858,288	140,774,094	1,684,019
Net Position - Ending	\$ 7,241,217	\$ 135,734,482	\$ 142,975,699	\$ 1,684,019

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2019

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
Cash Flows from Operating Activities				
Cash Premiums Received	\$ -	\$ -	\$ -	\$ 6,112,186
Receipts from Customers	1,775,105	2,889,650	4,664,755	-
Payments for Claims and Benefits	-	-	-	(6,112,186)
Payments to Suppliers	(1,328,814)	(2,942,350)	(4,271,164)	-
Payments to Employees and for Employee Benefits	(446,291)	-	(446,291)	-
Net Cash Used in Operating Activities	-	(52,700)	(52,700)	-
Cash Flows from Capital and Related Financing Activities				
Contributions and Donations	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Purchase of Capital Assets	-	-	-	-
Net Cash Provided by Capital and Related Financing Activities	-	-	-	-
Cash Flows from Investing Activities				
Cash Receipts from TIF Related Tax Revenue	-	2,889,650	2,889,650	-
Cash Receipts from Loan Collections	-	2,606,130	2,606,130	-
Cash Payments for Loans to Others	-	-	-	-
Interest Income	-	2,928,894	2,928,894	-
Net Cash Provided by Investing Activities	-	8,424,674	8,424,674	-
Net Increase in Cash	-	8,371,974	8,371,974	-
Cash at Beginning of Year	-	5,649,626	5,649,626	-
Cash at End of Year	\$ -	\$ 14,021,600	\$ 14,021,600	\$ -

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Cash Flows (Continued)
Proprietary Funds
Fiscal Year Ended June 30, 2019

Reconciliation of Operating Loss to Net Cash

Used in Operating Activities

Operating Loss	\$ (674,588)	\$ (52,700)	\$ (727,288)	\$ -
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:				
Depreciation	121,909	-	121,909	-
Changes in:				
Equity in Pooled Cash	208,861	-	208,861	205,232
Other Receivables	5,164	-	5,164	-
Prepaid Items and Other Assets	-	-	-	-
Accounts Payable	337,021	-	337,021	220,430
Unearned Revenue	-	-	-	-
Deposits Payable	1,633	-	1,633	-
Claims Payable	-	-	-	(425,662)
Net Cash Used in Operating Activities	\$ -	\$ (52,700)	\$ (52,700)	\$ -

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Trust Funds	Agency Funds
Assets		
Cash	\$ -	\$ 53,953
Investments	292,821	-
Due from Other Funds	389,700	-
Equity in Pooled Cash	254,164	913
	<hr/>	<hr/>
Total Assets	936,686	54,866
Liabilities		
Accounts Payable	71,584	-
Due to Student Groups	-	54,866
	<hr/>	<hr/>
Total Liabilities	71,584	54,866
Net Position		
Held in Trust for Various Purposes	\$ 865,102	\$ -
	<hr/>	<hr/>

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2019

	Trust Funds
<hr/>	
Additions	
Interest and Investment Gain	\$ 9,566
Total Additions	<hr/> 9,566
Deductions	
Instruction	
Special Programs	1,304,225
Support	
Business Services	<hr/> (1,500)
Total Deductions	<hr/> 1,302,725
Other Financing Sources and Uses	
Transfers In	<hr/> 1,300,000
Total Other Financing Sources (Uses)	<hr/> 1,300,000
Change in Net Position	<hr/> 6,841
Net Position - Beginning	<hr/> 858,261
Net Position - Ending	<hr/> \$ 865,102

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

NOTES TO FINANCIAL STATEMENTS

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 1. General Information

The Orleans Parish School Board (School Board) is a corporate body created under Louisiana Revised Statutes 17:51 and 17:121. A board consisting of seven members (the Board) elected from legally established districts is charged with the management and operation of the school system.

As of the report date, the School Board has 440 full-time or part-time employees of which 245 are involved in the instructional process.

In November 2005, Louisiana House Bill 121 (Act 35) transferred control of each School Board school deemed to be in academic crisis, as determined by standardized student testing results, resulting in approximately 83% (106 schools) of the School Board's former schools being transferred to the Louisiana State Department of Education's Recovery School District (RSD). The RSD is responsible for providing all educational services to students attending the School Board transferred schools. Act 35 provided for the transfer of operational and managerial control of the transferred schools for a period of not less than five years. Further, Act 35 provides the RSD with authorization to manage and retain funding under the Minimum Foundation Program corresponding to the students attending the transferred schools. While the School Board retains ownership of each School Board transferred school, all rights and responsibilities associated with property ownership were transferred to the RSD. In May 2016, Louisiana Senate Bill 432 (Act 91) authorized the return of certain schools and facilities from the RSD to School Board to be completed no later than July 1, 2018.

As of the report date, the School Board is not operating any direct-run schools. The School Board also has eight charter schools opened and operating that have approximately 3,896 students.

The regular school term begins in mid-August and runs through late May.

Note 2. Summary of Significant Accounting Policies

The School Board complies with accounting principles generally accepted in the United States of America (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The following is a summary of the School Board's significant accounting policies:

Financial Reporting Entity

The accompanying financial statements present the School Board and its component units, as determined under the guidelines established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

GASB has set forth criteria to be considered in determining when a potential component unit should be included in the financial statements of a primary government. These criteria include:

1. The primary government is financially accountable if it appoints a voting majority of the organization's governing, and
 - a. It is able to impose its will on that organization.
 - b. There is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.
3. The primary government may determine, through exercise of management's judgment, that an organization that does not meet the specific financial accountability criteria should be included as a component unit to prevent the reporting entity's financial statements from being misleading. This determination should be based on the nature and significance of the organization's relationship with the primary government.

Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The School Board has seven discretely presented component units, defined by GASB Statement No. 61 as other legally separate organizations for which the School Board is financially accountable. Copies of submitted audited financial statements are available on the legislative auditor's web site at www.la.state.la.us. The School Board also has one component unit blended with the primary government due to the closeness of their relationship with the primary government. This component unit is the Orleans Schools Facility Foundation (OSFF), a non-profit organization, reported as an enterprise fund. Separate financial statements for OSFF are not issued.

There are no other primary governments with which the School Board has a significant relationship. Certain units of local government over which the School Board exercises no authority, such as the City-Parish government and other independently elected officials, are excluded from the accompanying financial statements. These units of government are considered separate from those of the School Board. The School Board is not a component unit of any other entity.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2.

Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Discretely presented component units which require inclusion in the basic financial statements are as follows:

* Submitted June 30, 2019 audited financial statements.

Component Units	Number of Students
Charter Schools	
* Benjamin Franklin Elementary Math and Science	781
* Edward Hynes Charter School	717
* Elan Academy Charter School	125
* Foundation Preparatory	177
* Homer A. Plessy Community School	358
* Mary McLeod Bethune Elementary School	650
* Rooted School	97
* Warren Easton Senior High School	991
Total Charter Student Enrollment	<u>3,896</u>
Primary Government	Number of Students
Orleans Parish School Board (OPSB) Schools	
Schools:	
Cypress Academy	184
Harney Elementary School	228
McDonogh No. 35 High School	444
Programs:	
Alternative Learning and Youth Study Center	105
Total OPSB Student Enrollment	<u>961</u>
	<u>4,857</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The School Board's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and component units that are fiduciary in nature and the fund financial statements (individual major funds and combined non-major funds). Separate financial statements are provided for governmental funds and proprietary funds. The statements are prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units.

Government-Wide Financial Statements

The Government-Wide Financial Statements (GWFS) were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Operating grants and contributions consist of the many educational grants received from the federal and state government.

As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The internal service funds provide services to the governmental funds. Accordingly, the internal service funds activities were rolled up into the governmental activities in the GWFS. Pursuant to GASB Statement No. 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2.

Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Fund Financial Statements

The Fund Financial Statements (FFS) are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category or fund type) are summarized into a single column.

The daily accounts and operations of the School Board are organized on the basis of funds, 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, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds of the School Board are classified into three broad categories: Governmental, Proprietary and Fiduciary. In turn, each category is divided into separate fund types.

Governmental Fund Types

General Fund - The General Fund is the primary 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 (other than major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs for various educational objectives and child nutrition services.

Debt Service Funds - Debt Service Funds, established to meet requirements of bond ordinances and other long-term borrowing, are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs and some capitalized leases. A separate Debt Service Fund is maintained for each similar bond issue type (e.g., General Obligation Bonds, Refunding Bonds) or each refunding, unique issue, or long-term loan currently outstanding.

Capital Projects Funds - Capital Projects Funds are used to account for the receipt and disbursement of the proceeds of general bond issues and other special or designated revenues used for the acquisition or construction of major capital facilities, renovations and major repairs (other than General Fund capital outlays, and Special Revenue Fund capital outlays).

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Proprietary Fund Types

The proprietary fund distinguishes between operating and nonoperating revenues and expenses. Operating revenues consist primarily of rental income related to the School Board's administrative office building and income related to the Orleans Schools Facility Foundation (OSFF). Operating expenses result from the costs of maintaining the administrative building including depreciation on capital assets and direct costs associated with the OSFF. All revenues and expenses not meeting the above definitions are reported as nonoperating revenues and expenses.

Enterprise Fund - Timbers - An enterprise fund established to account for the rental receipts and operating costs of three buildings located in New Orleans, LA. The Timbers Enterprise Fund is reported as a major fund.

Enterprise Fund - Orleans Schools Facility Foundation - An enterprise fund established to account for the activity of the Orleans Schools Facilities Foundation (OSFF), a public benefit corporation of the School Board organized under the provisions of the Public School Facilities Financing Act contained in LA. R.S. 17:100.10.

The purpose of OSFF is to assist in facilitating tax credit financing for the construction and renovation school buildings as described in Note 21. The Orleans Schools Facility Foundation Enterprise Fund is reported as a major fund.

Internal Service Funds - Internal Service Funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The Employee Health Insurance Fund, Retiree Health Insurance Fund, Workers' Compensation Insurance Fund and E-Rate Fund are reported as Internal Service Funds.

Fiduciary Fund Types

Agency Funds - Agency Funds are used to account for assets held by the School Board as an agent for individuals, private organizations or other governmental units and/or other funds. The School Board has one agency fund which is used to account for those monies collected by pupils and school personnel for school and school-related purposes.

Trust Funds - Trust Funds are created to account for cash, investments and other resources contributed by various individuals to the School Board to be expended for purposes for which the trusts were established.

In accordance with GASB, the Fiduciary Funds information is presented separately within this report and is not included in the Government-Wide Financial Statements or Fund Financial Statements.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The School Board reports the following major governmental funds:

General Fund - The General Fund is the primary 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.

Pass-Through Fund - Special revenue fund established to account for the collection of ad valorem taxes, sales taxes and certain state funding. These revenues are then transferred to the appropriate funds or other entities.

General Obligation Bond Fund - Debt service fund established to account for the accumulation of resources for and payment of long-term debt principal, interest and related costs on outstanding general obligation bonds issued by the School Board. Fund revenues include receipt of ad valorem taxes and interest earned on cash balances. Additionally, the School Board may transfer from the General Fund amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations.

Qualified School Construction Bond (QSCB) Fund - Established to account for the accumulation of resources for and payment of long-term debt principal, interest and related costs on outstanding bonds issued by the School Board. Fund revenues include receipt of sales and use taxes, receipt of ad valorem taxes from constitutional millage and interest earned on cash balances. Effective fiscal year 2014, sales and use tax revenues were transferred to fund debt service obligations that commenced in fiscal year 2015. Additionally, the School Board may transfer additional sales and use tax amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations.

Hurricane Katrina Restoration Fund - Capital projects fund established to account for receipts and expenditures for projects funded by FEMA grant monies for reimbursement of allowable expenditures. Fund expenditures are used for mold remediation inside flooded schools, repairs and major construction to hurricane damaged schools, school facilities and administrative facilities.

Capital Projects Fund - Capital projects fund established to account for the receipts and disbursements for projects funded from the sales of surplus properties and insurance proceeds. Fund expenditures are used for both new construction and the renovation of existing facilities.

Master Plan Fund - Capital projects fund established to account for the receipts and disbursements for the rebuilding of schools funded by insurance proceeds.

Facilities Preservation Fund - Capital projects fund established pursuant to Act 543. It is to provide the allocation and dedication of certain local tax revenues to the replacement, repair and improvement of school facilities.

Federal Grant Fund - Special revenue fund established to account for revenues from federal sources which are legally restricted to expenditures for specified purposes.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The GWFS are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, deferred outflows of resources and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities, deferred outflows of resources and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Fund and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Proprietary Fund type's operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. For the Enterprise Fund - Timbers, the principal operating revenues are charges to tenants for rent, and operating expenses include costs to maintain and operate the building. For the Enterprise Fund - Orleans Schools Facility Foundation, there are no significant operating revenues or expenses as the activity is principally collection of payments related to the loan receivable. In the Internal Service Funds, current premium and claims expenses or increases in claims estimates occurring in the current period are considered operating expenses.

Contributions received which are related to these operating expenses are considered operating revenues. Interest earned on bank accounts or monies received from other funds which exceed their allocated share of the current operating expenses of the Proprietary Fund are considered non-operating revenues or transfers in to the fund.

The Governmental Fund type is accounted for on the modified accrual basis of accounting. The following paragraphs describe the revenue recognition practices under that basis.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to actual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The School Board's definition of available means expected to be received within sixty days of the end of the fiscal year for property taxes and generally the next twelve months for other revenues. Revenues not considered available are recorded as unearned revenues.

Non-exchange transactions, in which the School Board receives value without directly giving value in return, include sales taxes, property taxes, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes are considered measurable when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

The Proprietary Fund and Trust Funds are accounted for using the accrual basis of accounting; revenues are recognized when earned and expenses are recognized when incurred.

Budget and Budgetary Accounting

The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The General Fund and the Special Revenue Funds are the only funds with legally required budgets. The General Fund budget and the Special Revenue Funds' budgets are adopted on an annual basis. These budgets include proposed expenditures and the means of financing them.

Annually, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund and Special Revenues Funds. Public hearings are advertised and conducted to obtain taxpayer comments and the proposed budgets are published. The budget is adopted by the School Board and, as required, is submitted no later than September 30th to the State Department of Education for approval. The Superintendent is authorized to move budgeted items within the functional categories, the legal level of control, but may not increase the total amount authorized. The legal level of budgetary control is at the fund level.

Expenditures for Special Revenue Fund budgets, except for the Child Nutrition Program, may not exceed budgeted amounts by more than five percent unless a budget revision is approved by the State Department of Education. For the Child Nutrition Program, budget amendments follow the same requirements as the General Fund.

The Capital Projects Funds' budgets are adopted on a project basis, since such projects may be started and completed at any time during the year or may extend beyond one fiscal year. Capital Projects Funds are allocated by project using architectural and engineering estimates. All projects remain programmed and funded until completed or until the School Board decides to eliminate the project. Accordingly, budget and actual comparisons are not reported in the basic financial statements for those funds.

Budgets are prepared on the modified actual basis of accounting, consistent with generally accepted accounting principles. Unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations at year end that have been approved by the Board are generally expended during the next fiscal year's operations, assuming that the underlying liability is ultimately incurred. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services; they are reported as restricted, committed or assigned fund balance.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

Cash and cash equivalents include interest-bearing demand deposits and short-term investments as described below, with a maturity date within three months of the date of acquisition. The School Board maintains an accounting record reflecting the equity or deficit of each participating fund's interest in a pooled operating cash account.

State statutes authorize the School Board to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The School Board's Cash Management and Investment Policy requires that cash balances of all funds are combined and invested to the extent possible in direct obligations of the U.S. Government or its agencies, certificates of deposit and other short-term obligations. Interest earned on these investments is distributed to the individual funds on the basis of invested balances of the participating funds during the year.

Investments for the School Board are reported at fair value.

Accounts Receivable

Management has recorded a \$230,353 allowance for Federal Grant Fund receivables. Management considers all other receivables outstanding at June 30, 2019, to be fully collectible and as such, has no provision for uncollectible receivables recorded related to these receivables.

Inventory - Government-Wide Level

Inventory is stated at first-in, first-out (FIFO) cost and consists of food items held for consumption at the various schools. The cost of inventory items is recognized as an expense when used.

Inventory - Fund Level

Inventory of the Child Nutrition Special Revenue Fund consists of food, lunchroom materials, and supplies purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at FIFO cost. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are valued at the market value at the date of donation based on market values provided by the USDA. The amount of commodity inventory is included in unearned revenue until consumed.

Long-Term Accounts Receivable - RSD and Return of Capital Assets from the RSD

As disclosed in Note 1, Act 35 transferred 106 schools from the School Board to the RSD. For the schools transferred to the RSD, the School Board recognized a receivable for the net book value of the land, buildings and equipment for the schools transferred.

For those schools that are returned to and accepted by the School Board from the RSD, Long-Term Accounts Receivable - RSD is reduced and capital assets are increased by the net book value of the land, buildings and equipment that were initially transferred to the RSD.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

**Long-Term Accounts Receivable - RSD and Return of Capital Assets from the RSD
(Continued)**

Management will then perform an assessment to determine whether the land, buildings and equipment (the facilities) have incurred impairment, as well as perform an assessment to determine whether any significant enhancements or improvements have been made to the facilities.

For facilities deemed to be impaired, an impairment charge is recorded to the GWFS. For facilities which significant improvements or enhancements have been made, the value of the enhancements or improvements are recorded for the actual costs incurred for the new structure or improvements, net of the amount of depreciation calculated for the period from when the enhancements or improvements were initially placed in service by the RSD to the date in which the facilities were returned to the School Board. For those instances in which cost information is not available, a professional appraisal shall be obtained.

For facilities transferred to the School Board, depreciation resumes/initiates once the facilities are placed into service by the School Board. The remaining useful lives of facilities transferred to the School Board are evaluated for reasonableness. Depreciation on the facilities is recognized on a straight-line basis over the estimated remaining useful life.

During the year ended June 30, 2019, sixty properties were transferred from the RSD to the School Board.

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets as follows: movable capital assets with a cost of \$5,000 or more per unit, all land and land improvements with a cost of \$50,000 or more, and buildings and building improvements that extend the useful life of a building with a cost of \$50,000 or more.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are as follows: from 3 to 10 years for furniture and equipment, 5 to 8 years for transportation equipment, 5 to 20 years for equipment, 25 years for building improvements, 10 to 20 years for improvements other than building, and 20 to 40 years for buildings.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the GWFS as "internal balances."

Net Position Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- b. Restricted net position – This component consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Equity

The School Board follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Restricted— This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations by other governments) or by law through constitutional provisions or enabling legislation.

Committed— This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School System's highest level of decision-making authority which includes the resolutions of the School System. Those committed amounts cannot be used for any other purpose unless the School System removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned— This component consists of amounts that are constrained by the School System's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the governing body or an official or body which the governing body delegates the authority.

Unassigned— amounts that are available for any purpose.

The School Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the School Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service or other purposes).

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers. Nonrecurrent or non-routine permanent transfers of equity are reported as residual equity transfers. All interfund transfers are reported as operating transfers.

Compensated Absences

Under School Board policy, each employee is entitled to ten days of sick leave per year. Sick leave may be accumulated without limit; however, employees or their heirs are only reimbursed for accumulated sick leave up to twenty-five days upon death or retirement at the employees' current rate of pay. The accrual computation for earned sick leave is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination (non-retirement). Upon retirement, accumulated sick leave in excess of reimbursement may be used in the retirement benefit computation as earned service.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

Full-time employees who work year-round are granted vacation in varying amounts (maximum of 22 days per year) as established by School Board policy. Such leave is credited on a pro rata basis at the end of each payroll reporting period and accumulates. All leave earned during any fiscal year must be taken within the following six-month period or it is forfeited. Any unused leave may be paid to the employee at termination.

Sabbatical leave may be granted for medical or professional purposes. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous services, or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave is paid at 65% of salary. Sabbatical leave is accrued upon Board approval.

Unearned Revenues

The School Board reports unearned revenues when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Funds Held For Future Distribution

Funds held for future distribution represent funds for which the School Board has not made a determination as to the amount or who may have a legal claim to the funds, such as RSD or charter schools. Once the School Board has determined that either it or another entity has a legal claim to the resources, the amounts identified are reclassified as either revenue or as an obligation due to another entity.

Long-Term Obligations

For government-wide reporting, the issuance costs associated with the bonds are considered an outflow of resources in the reporting period in which they are incurred in accordance with GASB Statement No. 65. For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

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

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pension Plans (Plans)

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

Adoption of New Accounting Principles and Recent Reporting and Disclosure Developments

During the year ended June 30, 2019 GASB Statement No. 83 was implemented as follows:

Governmental Accounting Standards Board Statement No. 83 (GASB 83)

The objective of GASB 83, *Certain Asset Retirement Obligations*, is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Additional GASB Statements recently implemented:

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, improves the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees – both active and inactive employees – are provided with post-employment benefits other than pensions. As a result of the implementation of this statement, Governmental Activities Net Position was restated. In addition, disclosures and required supplementary information were adjusted. This statement was implemented during the fiscal year ended June 30, 2018.

Recent Reporting and Disclosure Developments

As of June 30, 2019, the Government Accounting Standards Board has issued several statements not yet implemented by the School Board. The Statements, which might impact the School Board, are as follows:

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Governmental Accounting Standards Board Statement No. 84 (GASB 84)

The objective of GASB 84, *Fiduciary Activities*, is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Governmental Accounting Standards Board Statement No. 87 (GASB 87)

The objective of GASB 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

Note 3. Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits are secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the School Board's name. At June 30, 2019, the carrying amount of the School Board's deposits (demand deposits) was \$169,909,062 and the related bank balances were \$171,477,029. The bank balance of \$171,477,029 was covered by federal depository insurance or secured by bank owned securities specifically pledged to the School Board and held in joint custody by an independent bank or trust department.

In addition, six schools maintained Student Activity Funds with book and bank balances at June 30, 2019 of \$53,983 and \$77,767, respectively. The bank balances of these accounts were secured by federal depository insurance and the pledge of securities held by the pledging bank's agent in the School Board's name. These funds are not assets of the School Board, but rather assets held for the benefit of the students attending those schools and are reported as Agency Funds in the Other Supplementary Information section and not included in the GWFS.

Investments

As of June 30, 2019, assets classified as investments exist in the QSCB Fund and in the Fiduciary Trust Fund. The assets in each fund are invested in accordance with the investment policies of each plan. The assets are as follows:

	2019
U.S. Treasury Notes	\$ 56,187,142
Marketable Securities	292,821
Cash Held in Investments	682,743
Total Investments	\$ 57,162,706

ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

As of June 30, 2019, the debt maturities of the QSCB Fund's investments in debt securities were as follows:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Notes	\$ 56,869,885	\$ -	\$ 56,869,885	\$ -	\$ -
Total	\$ 56,869,885	\$ -	\$ 56,869,885	\$ -	\$ -

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School Board has a formal investment policy that limits investment of amounts in excess of immediate cash requirements only to statutorily permitted investments.

Investments (Continued)

Credit risk. State law limits investments to the following:

1. Direct United States Treasury obligations
2. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America
3. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored
4. Direct security repurchase agreements of any federal book entry only securities
5. Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks
6. Mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies
7. Guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service
8. Investment grade commercial paper of domestic United States corporations

The School Board has no investment policy that would further limit its investment choices.

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Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Fair Value Measurement

The investments measured and reported at fair value are classified according to the following hierarchy:

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

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Mortgage and asset backed securities classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2019:

	<u>Fair Value Measurements Using:</u>			Total June 30, 2019
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level				
U.S. Treasury Notes	\$ -	56,869,885	\$ -	\$ 56,869,885
Marketable Securities	292,821	-	-	292,821
Total Investments by Fair Value Level	\$ 292,821	\$ 56,869,885	\$ -	\$ 57,162,706

Note 4. Ad Valorem Taxes and Sales Taxes

Ad valorem taxes were levied by the School Board in October 2018 for the calendar year 2019 based on the assessed valuation of property as of October 2018. Values are established by the Orleans Parish Assessors' Offices each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property. The taxes become due on January 1 of each year, and become delinquent on February 1. Before the taxes can be collected, the assessment list (tax roll) must be submitted to the Louisiana Tax Commission for approval.

**ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Taxes (Continued)

From the day the tax roll is filed in the Board of Tax Commission, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the year for the payment of the tax due on it. Ad valorem taxes are collected by the City of New Orleans and remitted to the School Board on a periodic basis. The taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the School Board's fiscal year.

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expires
Constitutional Millage	27.65	27.65	Not Applicable
Dedicated Millage			
Purpose A School Books, Materials and Supplies	1.550	1.550	2028
Purpose B Early Childhood, Discipline and Dropout Programs	1.550	1.550	2028
Purpose C Employee Salary, Benefits and Incentives	7.270	7.270	2028
Purpose D Air Conditioning, Asbestos Removal and Facilities	2.320	2.320	2028
School Board General Obligation Bond Taxes	2.250	2.250	2025
School Board Capital Repair Millage	<u>2.720</u>	<u>2.720</u>	2024
Total Millage	<u>45.31</u>	<u>45.31</u>	

All ad valorem taxes are recorded on the basis explained in Note 2. For governmental funds, revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end. The School Board records these taxes gross of the Assessor's and City's collection fees, which amounted to \$3,524,234 and \$3,326,613, respectively, for the year ended June 30, 2019.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Taxes (Continued)

Since ad valorem taxes receivable are secured by property, there is no allowance for uncollectible taxes.

Sales taxes are assessed and due on the first day of the month subsequent to the month of sale of any retail sales of goods used or consumed within Orleans Parish, including leases and rentals of movable tangible property. The rate of sales tax dedicated to the School Board is one and one-half percent. Revenues arising from the one percent sales tax authorized by the voters of Orleans Parish in 1966 are used exclusively for the payment of salaries of teachers and/or for the general operations of the School Board.

The proceeds of the one-half percent sales tax, which was authorized in 1980, are used for the payment of salaries of teachers and other educational employees of the School Board, for the expenses of maintaining and operating schools and for providing funds to pay for capital improvements.

Sales taxes which remain uncollected on the twenty-first day of the month due are classified as delinquent. Sales taxes are collected by the City of New Orleans and the State of Louisiana and are remitted monthly to the School Board. The School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees, which amounted to \$2,246,712 for the year ended June 30, 2019.

Note 5. Loans Receivable

On April 1, 2013, as part of a New Market Tax Credit (NMTC) transaction, further described in Note 21, the OSFF advanced \$6,948,587 to Wheatley NMTC Investment Fund, LLC in the form of a subordinate loan note. The note accrues interest at 1.40% and the maturity date is March 11, 2048. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and others charges are due. Interest earned for the year ended June 30, 2019 totaled \$97,450. The loan is collateralized by a grant of a first position security interest in all of Wheatley NMTC Investment Fund LLC rights, title and interest in its 100% membership interest in the Sub-CDE.

ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 5. Loans Receivable (Continued)

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2020	\$ 81,833
2021	166,238
2022	171,434
2023	176,735
Thereafter	<u>6,352,347</u>
Total	<u>\$ 6,948,587</u>

On October 22, 2013, as part of a NMTC transaction, further described in Note 21, the OSFF advanced \$6,849,000 to McDonogh Elementary Investment Fund, LLC in the form of a subordinate loan note. The note accrues interest at 0.78% and the maturity date is October 23, 2045. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and others charges are due. Interest earned for the year ended June 30, 2019 totaled \$40,083. The loan is collateralized by a grant of a first position security interest in all of McDonogh Elementary Investment Fund, LLC rights, title and interest in its 99.99% membership interest in the Sub-CDE.

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2020	\$ 23,458
2021	148,191
2022	250,444
2023	252,404
Thereafter	<u>6,174,503</u>
Total	<u>\$ 6,849,000</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 5. Loans Receivable (Continued)

On May 19, 2015, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$6,296,500 to COCRF Investor 41, LLC in the form of a subordinate loan note. The note accrues interest at 1.43% and the maturity date is June 10, 2040. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2019 totaled \$89,993.

The loan is collateralized by a multiple indebtedness leasehold mortgage, pledge of leases and rents and security agreement under Uniform Commercial Code covering certain assets.

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2020	\$ -
2021	-
2022	39,764
2023	185,429
Thereafter	6,071,307
Total	\$ 6,296,500

On February 27, 2015, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$18,997,332 to Drew Elementary School Facility (DESF) in the form of a subordinate loan note. The note accrues interest at 3.0% and the maturity date is February 27, 2045. Interest only payments are due monthly through April 30, 2015, with principal and interest payments due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2019 totaled \$522,339. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

**ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 5. Loans Receivable (Continued)

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2020	\$ 480,900
2021	501,204
2022	516,012
2023	530,820
Thereafter	15,133,446
Total	\$ 17,162,382

On April 28, 2016, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$28,952,908 to SBW School Facility L.L.C. (SBWSF) in the form of a subordinate loan note. The note accrues interest at 2.23% and the maturity date is April 27, 2046. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2019 totaled \$605,933. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2020	\$ 737,423
2021	754,036
2022	771,024
2023	788,395
Thereafter	23,729,035
Total	\$ 26,779,913

On June 14, 2017, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$13,868,212 to COCRF Investor 82, LLC in the form of a subordinate loan note. The note accrues interest at 1.43% and the maturity date is June 13, 2047. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2019 totaled \$198,430. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

**ORLEANS PARISH SCHOOL BOARD
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Future maturities are as follows:

Fiscal Year	Principal
Ending June 30,	
2020	\$ -
2021	-
2022	-
2023	-
Thereafter	13,868,212
Total	\$ 13,868,212

On December 28, 2017, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$17,603,367 to Tubman School Facilities, L.L.C. in the form of a subordinate loan note. The note accrues interest at 2.61% and the maturity date is December 27, 2052. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2019 totaled \$507,658. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

Fiscal Year	Principal
Ending June 30,	
2020	\$ 264,852
2021	272,636
2022	280,648
2023	288,896
Thereafter	16,260,202
Total	\$ 17,367,234

On December 28, 2017, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$30,009,030 to John MC Facilities, L.L.C. in the form of a subordinate loan note. The note accrues interest at 2.61% and the maturity date is December 27, 2052. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2019 totaled \$867,008. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 5. Loans Receivable (Continued)

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2020	\$ 370,351
2021	381,235
2022	392,439
2023	403,972
Thereafter	<u>28,160,497</u>
Total	<u>\$ 29,708,494</u>

ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 6. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2019, are as follows:

	Land*	Buildings and Improvements	Furniture and Equipment	Construction in Progress*	Total
Governmental Activities					
Assets at Cost					
Balance at June 30, 2018	\$ 26,606,757	\$ 634,553,253	\$ 24,813,475	\$ 10,897,767	\$ 696,871,252
Additions	-	116,586,735	-	719,039	117,305,774
Deletions	-	-	-	-	-
Transfers	-	1,632,509	-	(1,632,509)	-
Transfers from RSD	-	724,743,622	-	25,641,636	750,385,258
Balance at June 30, 2019	26,606,757	1,477,516,119	24,813,475	35,625,933	1,564,562,284
Accumulated Depreciation					
Balance at June 30, 2018	-	75,190,508	11,902,100	-	87,092,608
Additions	-	7,676,714	402,201	-	8,078,915
Deletions	-	-	-	-	-
Balance at June 30, 2019	-	82,867,222	12,304,301	-	95,171,523
Total Governmental Activities					
Capital Assets, Net of Accumulated					
Depreciation at June 30, 2019	\$ 26,606,757	\$ 1,394,648,897	\$ 12,509,174	\$ 35,625,933	\$ 1,469,390,761
Business-Type Activities					
Assets at Cost					
Balance at June 30, 2018	\$ 1,440,992	\$ 6,372,157	\$ -	\$ -	\$ 7,813,149
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Transfers	-	-	-	-	-
Transfers from RSD	-	-	-	-	-
Balance at June 30, 2019	1,440,992	6,372,157	-	-	7,813,149
Accumulated Depreciation					
Balance at June 30, 2018	-	914,664	-	-	914,664
Additions	-	121,909	-	-	121,909
Deletions	-	-	-	-	-
Balance at June 30, 2019	-	1,036,573	-	-	1,036,573
Total Business-Type Activities					
Capital Assets, Net of Accumulated					
Depreciation at June 30, 2019	\$ 1,440,992	\$ 5,335,584	\$ -	\$ -	\$ 6,776,576
Total Primary Government					
Capital Assets, Net of Accumulated					
Depreciation at June 30, 2019	\$ 28,047,749	\$ 1,399,984,481	\$ 12,509,174	\$ 35,625,933	\$ 1,476,167,337

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 6. Capital Assets (Continued)

The School Board reviewed its capital assets and noted no impairment as of June 30, 2018. Depreciation expense for the year ended June 30, 2018, was charged to the following governmental functions:

	<u>Depreciation</u>
Instruction	
Regular Education Programs	\$ 762,764
Special Education Programs	431,332
Other Education Programs	992,894
Support	
Student Services	926,766
Instructional Staff Services	294,011
General Administration	2,180,851
School Administration	153,598
Business and Central Services	210,722
Transportation Services	158,017
Central Services	250,504
Plant Services	<u>1,717,455</u>
Total	<u>\$ 8,078,914</u>

Note 7. Pension Plans

As discussed in Note 2, substantially all school system employees are participants in a statewide pension plan. The plans are all cost-sharing, multiple-employer defined benefit pensions plans administered by separate boards of trustees. In general, professional employees (such as teachers and administrators) and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL). Other employees are members of the Louisiana School Employees' Retirement System (LSERS) or the Louisiana State Employees' Retirement System (LASERS).

Following are descriptions of the plans and their respective benefits. The descriptions are provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Teachers' Retirement System of Louisiana

Plan Description - Employees of the School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 7. Pension Plans (Continued)

Benefits Provided

The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Normal Retirement

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 31, 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% benefit factor at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Plan B - Members may retire with a 2.0% benefit factor at age 55 with 30 years of service, or age 60 (first employed between January 1, 2011 and June 30, 2015) with 5 years of service, or age 62 (first employed after July 1, 2015) with 5 years of service, or an actuarially reduced benefit with 20 years of service at any age.

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable benefit factor, and by the years of creditable service. For Regular Plan and Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Benefits Provided (Continued)

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Deferred Retirement Option Program (DROP) (Continued)

Upon termination, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Disability Benefits

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

Survivor Benefits

A surviving spouse with minor children of a deceased active member with at least five years of creditable service (2 years immediately prior to death) but less than 10 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the surviving spouse's benefit ceases.

A surviving spouse with minor children of a deceased active member with at least 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service (regardless when earned) is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service. If a surviving spouse remarries before the age of 55 and the deceased active member had less than 20 years of creditable service, the surviving spouse's benefit will cease.

**ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 7. Pension Plans (Continued)

Benefits Provided (Continued)

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of a deceased active member with at least 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service (regardless when earned) is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service. If a surviving spouse remarries before the age of 55 and the deceased active member had less than 20 years of creditable service, the surviving spouse's benefit will cease.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts (fixed, variable, or both) for benefits payable at retirement.

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. For ORP, only the UAL portion of the employer contribution is retained by the plan.

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Notes to Financial Statements

Note 7. Pension Plans (Continued)

Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer's proportionate share. The rates for the year ended June 30, 2018 (measurement date) are as follows:

2018 TRSL Sub Plan	Employer Contributions
K-12 Regular Plan	26.60%
Plan B	25.40%

ORP	Employer UAL
2018	22.20%

The School Board's contractually required composite contribution rate for the year ended June 30, 2018 was 26.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$5,879,210 for the year ended June 30, 2019.

Louisiana School Employees' Retirement System (LSERS)

Plan Description

Chapter 3 of Title 11 of the Louisiana Revised Statutes (L.R.S. 11:1001) grants to LSERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LSERS issues a publicly available financial report that can be obtained at www.lasers.net.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. LSERS provides retirement, disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Normal Retirement

A member who joined the School Board on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 year is of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the School Board on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Benefit Formula

For members who joined the School Board prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. Members who joined the School Board on or after July 1, 2006 through June 30, 2010, 3 1/3% of the average compensation is used to calculate benefits. However, the calculation consists of the five highest consecutive years of membership service, subject to the 10% salary limitation. For members who joined the School Board on or after July 1, 2010, 2 1/2% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

Disability Benefits

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement, and has become totally and permanently disabled, and is certified as disabled by the Medical Board. A vested person with 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joined the School Board on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the system provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefits.

Survivor Benefits

Upon the death of a member with 5 or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

Deferred Retirement Option Program (DROP)

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

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

Initial Benefit Retirement Plan (IBRP)

Effective January 1, 1996, the State Legislature authorized the plan to establish an Initial Benefit Retirement Plan (IBRP) program. The IBRP is available to members who have not participated in the DROP and who select certain benefits. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to thirty-six months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with L.R.S. 11:1152(f)(3).

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the State Constitution. The actual employer rate for the year ended June 30, 2019, was 28.0%. A difference may exist due to the state statute that requires the rate to be calculated in advance. Contributions to LSERS from the School Board were \$11,248 for the year ended June 30, 2019.

Louisiana State Employees' Retirement System (LASERS)

Title 11 of the Louisiana Revised Statutes (L.R.S. 11:1001) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Benefits Provided

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in a new regular plan. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans. Regular members are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015. Regular members under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits

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

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2019, was 37.9% of annual covered payroll. The School Board's contributions paid to LASERS for the year ended June 30, 2019, was \$354,771.

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

The following schedule lists the School Board's proportionate share of the net pension liability allocated by each of the pension plans based on the June 30, 2018 measurement date, and the total pension liabilities used to calculate the net pension obligations were determined by actuarial valuations as of that date. The School Board's proportionate share of the Plans' net pension liabilities were based on projections of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Plan	Net Pension Liability at June 30, 2018	June 30, 2018 Rate	Increase (Decrease) on June 30, 2017 Rate
TRSL	\$ 51,550,913	0.52453%	0.03599%
LSERS	184,152	0.02756%	-0.03487%
LASERS	540,002	0.00792%	-0.00965%
	<u>\$ 52,275,067</u>		

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Pension Plans (Continued)

For the year ended June 30, 2018, the School Board recognized pension expense/(benefit) of \$3,614,358, (\$14,089) and \$44,085, for TRSL, LSERS, and LASERS, respectively, which included employer's amortization of the change in proportionate share and differences between employer contributions and proportionate share of contributions for each Plan.

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

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Differences Between Expected and Actual Experience	\$ -	\$ -	\$ -	\$ 1,698,193	\$ 5,082	\$ 6,056
Changes of Assumptions	3,312,315	7,758	5,495	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,657	7,002	3,322,360	-	-
Changes in Proportion and Differences Between School Board Contributions and Proportionate Share of Contributions	38,909	9,322	24,766	216,588	153,733	12,461
School Board Contributions Subsequent to the Measurement Date	5,513,191	11,248	345,771	-	-	-
Total	\$ 8,864,415	\$ 31,985	\$ 383,034	\$ 5,237,141	\$ 158,815	\$ 18,517

An amount of \$5,879,210 is reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

PLAN DESCRIPTION	Employer
TRSL ORP PLAN - UNSHELTERED	\$ 116,184
TRSL PLAN B - UNSHELTERED	43,358
TRSL PLAN B - SHELTERED	436,552
TRSL REGULAR PLAN - UNSHELTERED	366,179
TRSL REGULAR PLAN - SHELTERED	4,550,919
TRSL SUBTOTAL	5,513,191
LASERS - SHELTERED	354,771
LSERS - SHELTERED	11,248
TOTAL	\$ 5,879,210

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

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

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

Year Ended June 30:	Amortization Amounts		
	TRSL	LSERS	LASERS
2020	\$ 422,401	\$ (59,959)	\$ 15,333
2021	\$ (483,631)	\$ (73,414)	\$ 6,281
2022	\$ (1,540,005)	\$ (5,561)	\$ (13,197)
2023	\$ (107,003)	\$ 856	\$ (1,976)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

	TRSL	LSERS	LASERS
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization approach	Closed	Closed	Closed
Actuarial assumptions:			
Expected remaining service lives	5 years	3 years	3 years
Investment rate of return	7.65%	7.063%	7.65%
Inflation rate	2.5% per annum	2.500%	2.75%
Projected salary increases	3.3% - 4.8% (varies depending on duration of service)	Based on a 2013-2017 experience study of the plan's members, 3.25%	Varies from 2.8% - 14.3% (Based on a 2009-2013 experience study of the plan's members)
Cost-of-living adjustments	None	None	None
Mortality	RP-2014 White Collar Employee Tables, with adjustment based on type of employee	RP-2014 Sex Distinct Employee Table	RP-2000 Combined Healthy Mortality Table
Disability	Based on a five year (2012-2017) experience study of the System's members	RP-2014 Sex Distinct Disabled Table	Based on a five year (2009-2013) experience study of the System's members
Termination	Based on a five year (2012-2017) experience study of the System's members	Based on a 2013-2017 experience study of the plan's members	Based on a five year (2009-2013) experience study of the System's members

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Actuarial Assumptions (Continued)

TRSL Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.07% for 2018. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	23%	4.31%
International equity	32%	5.26%
Domestic fixed income	6%	1.49%
International fixed income	10%	2.23%
Private equity	22%	7.67%
Global tactical asset allocation	7%	4.96%
	<u>100.00%</u>	

LSERS Investments

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 7.76%.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Actuarial Assumptions (Continued)

LASERS Investments (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018, are summarized in the following table:

	Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income	Core Fixed Income	8.00%	2.02%
	High Yield	5.00%	4.43%
	Emerging Markets Debt	7.00%	4.71%
	Global Fixed Income	10.00%	1.38%
Equity	US Equity	20.00%	6.44%
	Developed Equity	18.00%	7.40%
	Emerging Markets Equity	10.00%	9.42%
	Global REITs	3.00%	5.77%
Alternative	Private Equity	5.00%	10.47%
	Hedge Fund of Funds	3.00%	3.75%
	Real Estate	5.00%	5.00%
Fixed Assets	Timber	2.00%	5.67%
	Oil & Gas	2.00%	10.57%
	Infrastructure	2.00%	6.25%
		100.00%	

LASERS Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table:

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Actuarial Assumptions (Continued)

LSERS Investments (Continued)

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash	0%	-0.48%
Domestic Equity	18%	4.31%
International Equity	22%	5.26%
Domestic Fixed Income	7%	1.49%
International Fixed Income	10%	2.33%
Alternative Investments	31%	7.67%
Risk Parity	12%	4.96%
	<u>100.00%</u>	

Discount Rate

The discount rates used to measure the total pension liabilities of TRSL and LASERS were 7.65% for each plan. The discount rate used to measure the total pension liability for LSERS was 7.065% for the plan. For TRSL, LSERS, and LASERS, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School Board's proportionate share of the net pension liabilities using the discount rates of 7.65% for TRSL and LASERS, and 7.065% for LSERS, as well as what the School Board's proportionate share of the net pension obligations would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
School Board's proportionate share of the TRSL net pension liability	\$ 68,292,480	\$ 51,550,913	\$ 37,428,529
School Board's proportionate share of the LSERS net pension liability	\$ 252,797	\$ 184,152	\$ 125,474
School Board's proportionate share of the LASERS net pension liability	\$ 681,518	\$ 540,002	\$ 418,121
		<u>\$ 52,275,067</u>	

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2019, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$207,453 (TRSL) \$-0- (LSERS), and \$-0- (LASERS) for its participation in the Plans.

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net positions is available in the separately issued 2019 Comprehensive Annual Financial Report at www.trsl.org, www.lasers.net, and www.lasersonline.org.

Payables to the Pension Plans

As of June 30, 2019, the School Board had payables to the TRSL plans of \$1,122,076, \$19,849, and \$7,969 for the TRSL Regular Plan, TRSL Plan B, and TRSL ORP, respectively, to the LSERS plan of \$4,759, and to the LASERS plan of \$4,726.

Note 8. Postemployment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The Orleans Parish School Board (the Board) provides certain continuing health care and life insurance benefits for its retired employees. The Orleans Parish School Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Board. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits provided – To be eligible for retiree health benefits, a retired employee must have met the requirements for retirement eligibility through the Teachers' Retirement System of Louisiana (TRSL):

1. Employees hired on or after July 1, 2015
 - Age 62 with 5 years of service, or
 - 20 years of service at any age (actuarially reduced benefit)
2. Employees hired on or after July 1, 2011 and before July 1, 2015
 - Age 60 with 5 years of service, or
 - 20 years of service at any age (actuarially reduced benefit)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Pension Plans (Continued)

3. Employees hired on or after July 1, 1999 and before July 1, 2011
 - Age 60 with 5 years of service, or
 - Age 55 with 25 years of service, or
 - 30 years of service at any age, or
 - 20 years of service at any age (actuarially reduced benefit)
4. Employees hired before July 1, 1999
 - Age 60 with 5 years of service, or
 - 20 years of service at any age

The School Board's Actuary performed a simplified actuarial valuation of the OPEB plan as of the measurement date June 30, 2019 in accordance with GASB Statement No. 75. The discount rate is the only applicable change in the simplified valuation. All other assumptions are applicable to the full valuation report dated October 10, 2018. That report reflected a measurement date of June 30, 2018.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Active Employees	373
Retired Employees	202
Total	<u>575</u>

Total OPEB Liability

The Board's total OPEB liability of \$6,279,000 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.50%
Salary Increase Rate	3.50%
Medical Consumer Price Index Trend	3.00%
Inflation Rate	3.00%

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis was used.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Postemployment Health Care and Life Insurance Benefits (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 6,233,373
Changes for the Year:	
Service Cost	27,833
Interest Cost	234,061
Changes in Assumptions or Other Inputs	209,614
Benefit Payments	(426,237)
Net Changes	45,271
Balance at June 30, 2018	\$ 6,278,644

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Board, as well as what the Board’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.50% or 1-percentage-point higher 4.50% than the current discount rate:

1.0% Decrease 2.50%	Current Discount Rate 3.50%	1.0% Increase 4.50%
\$6,914,000	\$6,279,000	\$5,737,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Board, as well as what the Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower 2.00% or 1-percentage-point higher 4.00% than the current healthcare trend rates:

1.0% Decrease (2.00%)	Current Trend (3.00%)	1.0% Increase (4.00%)
\$5,707,000	\$6,279,000	\$6,945,000

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

For the year ended June 30, 2019, the Board recognized OPEB expense of \$265,642. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 8. Postemployment Health Care and Life Insurance Benefits (Continued)

	Outflows of Resources	Inflows of Resources
Changes of assumptions/inputs	\$ 188,532	\$ (137,683)
Total	\$ 188,532	\$ (137,683)

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

Fiscal Year End June 30,	
2020	\$ 3,748
2021	3,748
2022	3,748
2023	3,748
Thereafter	32,109

Note 9. Long-Term Obligations

All of the bonds and notes payable of the School Board are reported in the GWFS and are serviced by the debt service funds with revenues as described below.

Bonds Payable	Range of Interest in Remaining Years	Final Maturity	Balance as of June 30, 2019
Refunding Bonds			
Series 2010 - Issued September 1, 2010	3.25 - 5.00%	9/1/2020	\$ 18,940,000
Revenue Bonds			
QSCB 2011 - Issued December 20, 2011	4.40%	2/1/2021	<u>79,055,000</u>
Total			<u>\$ 97,995,000</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 9. Long-Term Obligations (Continued)

Refunding Bonds

The Refunding Bond is a special limited School Board obligations payable from and secured by pledge of and lien on ad valorem taxes, sales taxes and revenue sharing. The bonds do not constitute general indebtedness or pledge of the general credit of the School Board.

\$97,005,000 Public School Refunding Bonds, dated September 1, 2010 – The purpose of the bonds was to refund the outstanding (a) General Obligation School Bonds Series 1995, (b) General Obligation School Bonds, Series 1996, (c) General Obligation School Bonds, Series 1997, (d) General Obligation School Bonds, Series 1997A, (e) General Obligation School Bonds, Series 1998A, and (f) General Obligation School Bonds, Series 1998B. The debt will be paid from the unlimited ad valorem taxation.

Revenue Bonds

\$79,055,000 Public School Revenue Bonds (Taxable QSCB), Series 2011B – The Qualified School Construction Bonds (QSCB) were issued for the purpose of construction, rehabilitation, and repair of public school facilities, including the equipping of school facilities. The bonds are secured by and payable from the revenues from the ad valorem tax and the ½% sales and use tax.

The School Board irrevocably designated the Series 2011B bonds as “Qualified School Construction Bonds” as defined in Section 54F of the Internal Revenue Code and has elected under Section 6431(f)(1) of the Code to receive a subsidy from the United States Department of the Treasury equal to the lesser of the amount of interest payable on the Series 2011A Bonds if interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Code.

The QSCB Revenue Bonds Sinking Fund issued on December 20, 2011 mature on February 1, 2021. The School Board is required to establish and make annual deposits to a sinking fund in order to pay the bonds when they mature. The required sinking fund minimum value at June 30, 2019 was \$45,174,284. The actual balance of the sinking fund at June 30, 2018, was \$45,634,593, which equals the required deposit.

Defeased Bonds

In March 1988, the School Board entered into an \$8,155,000 refunding transaction (Series 1998B) for a portion of the School Board’s Series 1995 General Obligations maturing September 2020. At June 30, 2018, the outstanding principle balance of the 1995 bonds, which are not included in the School Board’s balance sheet, as they are considered defeased, totaled \$7,140,000.

Debt Service Requirements

The annual requirements to amortize all long-term debt outstanding at June 30, 2019, excluding capital leases, accrued compensated absences and claims payable is as follows:

Year Ending June 30,	Refunding Bonds		Revenue Bonds		Total - All Debt	
	Principal	Interest	Principal	Interest *	Principal	Interest
2020	\$ 9,240,000	\$ 705,150	\$ -	\$ 3,478,420	\$ 9,240,000	\$ 4,183,570
2021	9,700,000	242,500	79,055,000	3,478,420	88,755,000	3,720,920
Total	\$ 18,940,000	\$ 947,650	\$ 79,055,000	\$ 6,956,840	\$ 97,995,000	\$ 7,904,490

* The School Board received a federal borrowing subsidy related to the interest payments.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 9. Long-Term Obligations (Continued)

Long-Term Obligations	Beginning Balance (As Restated)	Additions/ Change in Estimates	Retirements/ Debt Forgiveness	Ending Balance	Balance Due Within One Year
Refunding Bonds					
Series 2010	\$ 30,360,000	\$ -	\$ 11,420,000	\$ 18,940,000	\$ 9,240,000
Unamortized Premium on 2010 Bond	1,690,041	-	780,017	910,024	780,017
Revenue Bonds					
QSCB 2011 Bond	79,055,000	-	-	79,055,000	-
Unamortized Premium on QSCB 2011 Bond	165,532	-	64,078	101,454	64,078
OPEB Obligation Payable	6,233,373	45,271	-	6,278,644	-
Net Pension Liability	51,720,335	554,732	-	52,275,067	-
Accrued Compensated Absences	3,464,463	(1,720,560)	-	1,743,903	-
Liability for Claims Payable	45,399,586	(6,497,449)	-	38,902,137	-
Total Long-Term Obligations	\$ 218,088,330	\$ (7,618,006)	\$ 12,264,095	\$ 198,206,229	\$ 10,084,095

Bond Indentures

There are a number of limitations and restrictions contained in the various bond indentures. The School Board is in compliance with all significant covenants.

Statutory Debt Limit

As of June 30, 2019, the statutory debt limit for general obligation bonds was \$967,165,543 and the net legal debt margin was \$960,731,034.

At June 30, 2019, the primary government has accumulated \$82,179,228 in the debt service funds for future debt requirements.

Note 10. Leases

The School Board owns the building located at 2401 Westbend Parkway in New Orleans, LA. The School Board leases space to tenants and charges itself internally for leasing occupied space for its offices. The School Board created the Enterprise Fund - Timbers Fund to account for the lease activity associated with this building. For the year ended June 30, 2019, lease revenues recognized by the School Board totaled \$1,222,086. Future annual lease payments to be received are as follows:

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 10. Leases (Continued)

The School Board is charged rent and utilities associated with its occupied space at a monthly amount of \$40,000. The lease term is a month-to-month obligation.

The School Board also leases various equipment under operating leases which generally reflect varying terms. Information regarding the succeeding 5-year amortizations were not available. Equipment lease payments for the year ended June 30, 2019 totaled 359,709.

Note 11. Changes in Agency Funds - Deposits Due Others

Agency Fund	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
Student Activity	\$ 222,903	\$ 195,857	\$ 365,308	\$ 53,452
Total	\$ 222,903	\$ 195,857	\$ 365,308	\$ 53,452

Note 12. Due To/From Other Funds

Individual balances due to/from other funds at June 30, 2019, are as follows:

	Due To Other Funds	Due From Other Funds
Governmental Funds		
General Fund	\$ 389,700	\$ 5,565,180
Master Plan Fund	1,690,936	2,014,162
Other Non-major Governmental Funds		
Non-major Capital Project Funds	963,412	-
Proprietary Funds	4,925,906	-
Fiduciary Funds	(390,612)	
Total	\$ 7,579,342	\$ 7,579,342

The primary purpose of interfund receivables/payables are to loan monies from the General Fund to individual funds through operating transfers. All interfund payables are expected to be repaid within the next fiscal year.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 12. Due To/From Other Funds (Continued)

Equity in Pooled Cash

To the extent possible, cash is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose funds are deposited in the pooled cash account has equity therein. Pooled cash at June 30, 2019, was as follows:

Governmental Activities

General Fund	\$ 54,445,614
Pass-Through Fund	-
General Obligation Fund	12,505,490
QSCB Fund	12,803,853
Hurricane Kattina Restoration Fund	15,947,750
Capital Projects Fund	35,953,767
Master Plan Fund	(17,079,522)
Direct-Run Schools R&M Capital Projects	63,232,069
Federal Grant Fund	(9,536,375)
Other Governmental Funds, Net	9,317,849
Internal Service Funds, Net	3,352,897
	<u>\$ 180,943,391</u>

Business-Type Activities

Timbers	<u>\$ 1,156,708</u>
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Note 13. Act No. 151

Act No. 640 of the 2010 Regular Session of the Louisiana Legislature allowed the School Board to exclude certain costs from the amount of local revenues that it would otherwise be required to transfer to the Recovery School District to fund certain legacy cost arising from Hurricane Kattina and Act 35 of the 2010 Extraordinary Legislative Session. The exclusion was limited to \$6 million each year, although any excess in cost could be carried over to the next fiscal year.

The exclusions provided for in Act No. 640 were to expire upon 1) extinguishment of the excluded costs, 2) any action of the School Board to reduce the constitutional millage from the level in effect for Fiscal Year 2009-2010, 3) twelve months following settlement of the Orleans Parish School Board Special Community Disaster Loans, or 4) twenty tax years from the roll forward millage adoption, whichever occurred first. On March 7, 2014, the Orleans Parish School Board Special Community Disaster Loans were forgiven, which triggered expiration of the exclusions, effective March 7, 2015.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 13. Act No. 151 (Continued)

Subsequently, the Louisiana Legislature enacted Act No. 151 of 2016 Regular Session, which retained the exclusions provided by Act No. 640, lowered the annual maximum amount of excluded local dollars from \$6 million to \$3 million, and modified the triggers for expiration of the exclusion. Act No. 151 provided for the expiration of the exclusions upon 1) extinguishment of the excluded costs, 2) any action of the School Board to reduce the constitutional millage from the level in effect for Fiscal Year 2009-2010, or 3) June 30, 2030, whichever occurs first.

Legacy costs as of June 30, 2019 were as follows:

<u>Legacy Costs</u>	<u>2019</u>
Carryover from Prior Fiscal Year	\$ -
Employer's Cost of Health Insurance for Retired Participants in the Board's Plan as of July 1, 2009, not to Exceed 25% of Total Premium Costs	422,577
A Supplement of \$200 per Month for Health Insurance Premiums for Retired Participants in the Board's Plan as of July 1, 2013	214,200
Workers' Compensation Claims Filed Against the Board Prior to August 29, 2005, including Administrative Costs	539,583
Costs to Defend Legal Claims Against the Board Prior to August 29, 2005	55,440
Legal Claims Against the Board after August 29, 2005 Attributable to Hurricane Katrina or Act 35 of 1995 1st Extraordinary Session	87,636
Fee of One-Tenth of One Percent of Total Ad Valorem and Sales Taxes Collected	<u>310,444</u>
Total	1,629,880
Maximum Allowed	<u>(3,000,000)</u>
Carryover to Next Fiscal Year	<u>\$ -</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 14. Act No. 543

Act 543 of the 2014 Regular Session of the Louisiana Legislature requires the establishment of a school facilities preservation program (the "program"). The program is to be funded by the following sources:

- The proceeds of local sales taxes at a rate equivalent to the rate being used as of July 1, 2014, by the OPSB to pay school facility debt.
- The proceeds from property taxes dedicated to capital outlay and authorized by voters after July 1, 2014.

Each year, OPSB is required to transfer to the RSD a proportion of the funds equal to the proportion of students attending school on campuses that are in the school district and that are controlled by the RSD to the total number of students attending school on campuses that are in the school district that are controlled by either OPSB or the RSD, based on the February 1st student enrollment counts.

Effective July 1, 2018, the return of certain schools and facilities from the RSD to OPSB occurred. Accordingly, there were no student enrollment allocations or related tax revenue allocations between the School Board and the RSD for the fiscal year ended June 30, 2019.

Student enrollment comparisons reflecting the return of school campuses are as follows:

	2018	2019
OPSB Controlled Campuses	\$ 14,804	\$ 44,561
RSD Controlled Campuses	25,920	-
Total Students Enrolled in the School District	<u>\$ 40,724</u>	<u>\$ 44,561</u>

A comparison schedule of the amount of tax revenues generated for the program follows:

Source of Funds:	2018	2019
Sales Taxes	\$ 8,763,289	\$ 11,415,296
Ad Valorem Taxes	6,946,949	9,780,699
Total Funds Available	<u>\$ 15,710,238</u>	<u>\$ 21,195,995</u>

During the prior fiscal year 2018 the School Board retained 36% or \$5,710,990 of the total revenues based upon prorated student enrollment. The School Board retained 100% of the 2019 tax revenues as a result of reunification.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 15. Litigation and Contingencies

Claims

The School Board is a defendant in several workers' compensation, personal injury, personnel action and contractual lawsuits. Provisions for losses for these lawsuits are recorded in the financial statements, principally in long-term debt obligations. Management and legal counsel for the School Board believe that the potential claims against the School Board, not covered by insurance, are covered by the recorded liability.

Federal and State Grants

In the normal course of operations, the School Board receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

FEMA

On August 29, 2010, President Obama announced the Federal Emergency Management Agency's (FEMA) award of \$1.8 billion to the New Orleans Public Schools. This funding, plus an additional \$206 million not discussed in the announcement, represent FEMA's total funding to settle the School Board and the Recovery School District's (RSD) eligible disaster damage claim for school facilities and contents.

In addition to addressing damages to facilities and contents, this award has also supported and will continue to support temporary leased facilities, temporary modular school campuses, temporary busing costs, and other expenses that are necessary due to the impact of Hurricane Katrina.

The majority of the FEMA funding awarded to the School Board and RSD has been structured into Alternative Projects under FEMA's Public Assistance program, which allows applicants to designate alternative ways to utilize FEMA funding to support the best interests of the community. This alternate funding vehicle will provide maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish. The School Board has been issued in excess of 200 FEMA Project Worksheets which authorized or obligated \$376 million. As of June 30, 2019, the School Board has been reimbursed \$322 million. The School Board plans on using the majority of the remaining authorized monies to fund Phase One of the Master Plan, and to recover properly procured and executed work in the years immediately following the disaster.

Construction Contracts

At June 30, 2019, the School Board had construction commitments of approximately \$18.8 million. These commitments will be paid out of the Capital Projects Funds.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA**

Notes to Financial Statements

Note 16. Interfund Operating Transfers

Interfund operating transfers for the year ended June 30, 2019, were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 8,892,739	\$ 1,300,000
Capital Projects Fund	-	2,171,912
Facilities Preservation Fund	-	556,076
Federal Grant Fund	-	885,127
Non-Major Governmental Funds		
Non-Major Special Revenue Funds	-	7,115
Non-Major Capital Project Funds	27,491	5,300,000
Proprietary Funds		
	0	-
Fiduciary Funds		
	1,300,000	-
Total	\$ 10,220,230	\$ 10,220,230

Operating transfers between the General Fund and other funds are generally made to provide supplemental funds for program operations.

Note 17. Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; workers' compensation and health insurance for its employees. The School Board has established the following internal service funds to account for and finance these risks of loss:

Employee Health Insurance/Retiree Health Insurance

These funds are used to account for the employee, retiree and employer contributions to, and the payment of self-insured claims for the Health Insurance Plan. On February 1, 2006, the School Board offered a self-insured employee medical and Health Insurance Plan financed solely by employees and the School Board. The plan has a \$200,000 stop-loss provision, whereby any claims incurred in excess of the amount for a single insured is covered by reinsurance purchased by the School Board. Prior to February 1, 2006, the School Board offered a fully-insured Health Insurance plan.

Workers' Compensation Insurance

This fund is used to account for claims arising from employment related injuries prior to July 1, 2006. The School Board maintained a self-insurance plan, which included the purchase of insurance for claims in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. At June 30, 2019, there were 18 active claims.

Self-insured litigated claims are not reported in internal service funds, but the revenues and expenses for non-litigated claims are in the General Fund. The estimate for litigated claim liabilities is reported in the Government-Wide Financial Statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 17. Risk Management (Continued)

Workers' Compensation Insurance (Continued)

A reconciliation of the unpaid claims liability, including the litigated claims reserve, as of June 30th is as follows:

	Employee Health Insurance Fund	Retiree Health Insurance Fund	Workers' Compensation Fund	Litigated Claims	Total
Unpaid Claims, as Previously Reported June 30, 2018	\$ 108,673	\$ 566,327	\$ 834,644	\$45,399,586	\$ 46,909,230
Current Year Claims Incurred and Changes in Estimates	2,710,496	2,201,422	2,316,386	(6,091,054)	1,137,251
Claims Paid	(2,802,096)	(2,268,822)	(2,583,048)	(406,395)	(8,060,361)
Unpaid Claims as of Year Ended June 30, 2019	\$ 17,073	\$ 498,927	\$ 567,982	\$38,902,137	\$ 39,986,120

The above unpaid claims as of June 30th include amounts for claims incurred but not yet reported, as determined from actual claims paid subsequent to year-end as well as an estimate based upon historical lag trends.

Note 18. Deficits in Fund Equity

The Master Plan Fund has a fund deficit of \$17,119,179. This fund deficit is expected to be funded through reimbursement from funding sources for allowable expenditures that have been incurred.

Note 19. Fund Balances

The nature and purpose of the fund balance designations are as follows:

Nonspendable for Prepaid Items -- Represents property insurance which will be used in the future fiscal period.

Nonspendable for Inventory -- Represents the purchased food inventories in the Child Nutrition Fund which will be used in the future fiscal period.

Restricted for Debt Service -- This restriction represents the amounts restricted for payment of principal and interest maturing in future years on bonded debt.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 19. Fund Balances

Restricted for Capital Projects – This restriction was established by funding providers or by enabling legislation for capital purchases which will be used in future fiscal periods.

Committed for Capital Projects – This restriction was established by the School Board for capital purchases which will be used in future fiscal periods.

Assigned to Special Programs – This represents an assignment of funds that are designated for construction and renovation projects.

Note 20. Tax Credit Transactions

The School Board and OSFF have entered into various tax credit transactions to provide financing for the construction and development of charter schools located in New Orleans, Louisiana. OSFF is a public benefit corporation which will serve as leverage lender. OSFF is a blended component unit of the School Board as described in Note 1 to the financial statements. The following is a summary of relevant information pertaining to tax credit transactions effective as of June 30, 2019:

Phyllis S. Wheatley School

In April 2013, the School Board and the RSD signed a cooperative endeavor agreement (CEA) to approve the transfer of the Phyllis S. Wheatley School to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the Phyllis S. Wheatley School from OSFF to the Wheatley School Facility Foundation, Inc. (Wheatley QALICB) through the execution of a 65 year ground lease, with Wheatley QALICB obtaining debt and equity financing to complete construction of the Wheatley School. Rent under this lease is \$1 per year of the term. The CEA further required the School Board to provide sufficient funds to the OSFF, by either loan or grant, as necessary to complete construction of the Wheatley School. Pursuant to this requirement, the School Board advanced \$23,911,217 to OSFF, \$6,948,587 of which was loaned to Wheatley NMTIC Investment Fund LLC, with OSFF as the leveraged lender. The remaining \$16,962,630 was provided to Wheatley QALICB as a grant to be used solely and exclusively to pay for the construction costs of the Wheatley School. See Note 5 for terms of the loan from OSFF to Wheatley NMTIC Investment Fund LLC.

McDonogh 42 Elementary School

In October 2013, the School Board and the RSD entered into a CEA which provides for the transfer of McDonogh 42 Elementary School (McDonogh 42 School) to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the McDonogh 42 Elementary School from OSFF to the McDonogh 42 School Facility, LLC (McDonogh 42 QALICB) through the execution of a 65 year ground lease, with McDonogh 42 QALICB obtaining debt and equity financing to complete construction of the McDonogh 42 School. Rent under this lease is \$1 per year of the term. The CEA further required the School Board to provide sufficient funds to the OSFF, by either loan or grant, as necessary to complete construction of the McDonogh 42 School.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 20. Tax Credit Transactions, (Continued)

Pursuant to this requirement, the School Board advanced \$15,499,000 to OSFF, \$6,849,000 of which was loaned to McDonogh Elementary Investment Fund, LLC, with OSFF as the leveraged lender. Of the remaining \$8,650,000, \$1,307,050 was provided to McDonogh 42 QALICB as a grant to be used solely and exclusively to pay for the construction costs of the McDonogh 42 School. See Note 5 for terms of the loan from OSFF to McDonogh Elementary Investment Fund LLC.

Avery Alexander School

In May 2015, the School Board and the RSD entered into a CEA which provides for the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to Alexander School Facility, LLC through the execution of a 65 year ground lease, with Alexander School Facility, LLC obtaining debt and equity financing to complete the construction of the Alexander School. The CEA further required the School Board to provide funding to finance the construction of the Alexander School. Pursuant to this requirement, the School Board granted \$6,296,500 to OSFF which was then loaned to COCRF Investor 41, LLC, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to COCRF Investor 41, LLC.

Drew Elementary School

In February 2015, the School Board and the RSD entered into a CEA which provides for the sale of building improvements, and the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to the Drew Elementary School Facility (DESF), LLC through the execution of a 65 year ground lease, and the sale of the building improvements to DESF, with DESF obtaining debt and equity financing to complete the construction of the Drew Elementary School. The CEA further required the School Board to provide funding to finance the purchase of the building improvements, costs for historic rehabilitation and renovation of the Drew Elementary School, and fees and expenses in connection with the project. Pursuant to this requirement, the School Board granted \$18,997,332 to OSFF which was then loaned to DESF, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to DESF. In addition, under the charter lease subsidy agreement entered into as of June 1, 2015, OSFF is to provide a subsidy to the charter school operator, Arise Academy, to enable the operator to fulfill its lease payment obligation to DESF. For the year ended June 30, 2019, a total of \$711,549 was paid as a subsidy.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 21 Tax Credit Transactions (Continued)

Sophie B. Wright High School

In April 2016, the School Board and the RSD entered into a CEA which provides for the sale of building improvements, and the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to the SBW School Facility, L.L.C. (SBWSF) through the execution of a 65 year ground lease, and the sale of the building improvements to SBWSF, with SBWSF obtaining debt and equity financing to complete the construction of the Sophie B. Wright High School. The CEA further required the School Board to provide funding to finance the purchase of the building improvements, costs for historic rehabilitation and renovation of the Sophie B. Wright High School, and fees and expenses in connection with the project. Pursuant to this requirement, the School Board granted \$28,952,908 to OSFF which was then loaned to SBWSF, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to SBWSF. In addition, under the charter lease subsidy agreement entered into as of April 28, 2016, OSFF is to provide a subsidy to the charter school operator, Institute for Academic Excellence, to enable the operator to fulfill its lease payment obligation to SBWSF. For the year ended June 30, 2019, a total of \$1,100,089 was paid as a subsidy.

Booker T. Washington School

In June 2017, the School Board and the RSD entered into a CEA which provides for the construction of a building, and the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to the Booker T. Washington School Facility, L.L.C. (BTWSF) through the execution of a 65 year ground lease, obtaining debt financing to complete the construction of the Booker T. Washington High School. The CEA further required the School Board to provide funding to COCRF Investor 82, LLC (COCRF) to make certain investments to the Sub-CDE to ultimately fund the construction and development of Booker T. Washington School. Pursuant to this requirement, the School Board granted \$13,868,212 to OSFF which was then loaned to COCRF Investor 82, LLC (COCRF), with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to COCRF. In addition, under the charter lease subsidy agreement entered into as of June 13, 2017, OSFF is to provide a subsidy to the charter school operator, KIPP New Orleans, Inc., to enable the operator to fulfill its lease payment obligation. No payments were made during the year ended June 30, 2019.

Tubman

In December 2017, the School Board and the RSD entered into a CEA which provides for the design, construction and rehabilitation of the Harriet Tubman School Facility, and the transfer of land to the OSFF through a 99 year ground lease as well as the improvements of the building. Rent under the ground lease totaled a value of \$84,100. The CEA then required the transfer of the land from OSFF to the Tubman School Facilities, L.L.C. (TSF) through the execution of a 65 year ground lease, obtaining debt financing to complete the design, construction and rehabilitation of the Harriet Tubman School Facility. The CEA further required OSFF to provide funding to TSF to finance all or a portion of the purchase price and the costs of construction to the contractor.

ORLEANS PARISH SCHOOL BOARD
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Notes to Financial Statements

Note 21. Tax Credit Transactions (Continued)

Pursuant to this requirement, OSFF loaned a total of \$17,603,367 to TSF, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to TSF. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the Harriet Tubman School Facility owner to enable them to fulfill its lease payment obligation. For the year ended June 30, 2019, a total of \$355,014 was paid as a subsidy.

John McDonogh

In December 2017, the School Board and the RSD entered into a CEA which provides for the design, construction and rehabilitation of the John McDonogh School Facility, and the transfer of land to the OSFF through a 99 year ground lease as well as the improvements of the building. Rent under this lease totaled a value of \$1,256,700. The CEA then required the transfer of the land from OSFF to the John MC School Facility, L.L.C. (JMSF) through the execution of a 65 year ground lease, obtaining debt financing to complete the design, construction and rehabilitation of the John McDonogh School Facility. The CEA further OSFF to provide funding to JMSF to make certain investments to the Sub-CDE to ultimately fund the construction and development of the John McDonogh School Facility. Pursuant to this requirement, OSFF loaned to JMSF at total of \$30,009,030, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to JMSF. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the charter school operator to enable the operator to fulfill its lease payment obligation. For the year ended June 30, 2019, a total of \$718,431 was paid as a subsidy.

Historic Tax Credits

During the previous year ended June 30, 2018, OSFF received \$5,063,763 through the sale of historic tax credits donated to OSFF by OPSB who earned them through a project to rehabilitate a historic building known as the Fortier-Lusher School.

During the previous year ended June 30, 2018, OSFF received \$5,095,474 through the sale of historic tax credits earned through the above mentioned "Sophie B. Wright" project.

Note 22. Tax Abatements

The City of New Orleans maintains a Restoration Tax Abatement Program that provides commercial property owners and homeowners who expand, restore, improve, or develop an existing structure in a downtown development district, economic development district, or historic district the right to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project for five years after completion of the work. During the fiscal year ended June 30, 2018, there were twenty-one tax abatements under the Restoration Tax Abatement Program with exemptions. There were no additional tax abatements during the fiscal year ended June 30, 2019.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 23. Subsequent Events

Subsequent events were evaluated by management up to and including the issue date of this report, December 18, 2019. As mentioned in Note 1, as of July 1, 2018, the return of RSD schools and facilities in Orleans Parish (Parish) was completed, with the School Board established as the primary governing authority for public education in the Parish.

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet - By Fund Type
 Non-Major Governmental Funds
 June 30, 2019

	Special Revenue	Capital Projects	Total
Assets			
Due from Other Funds	\$ -	\$ 3,287,851	\$ 3,287,851
Due from Other Governments	575,582	-	575,582
Equity in Pooled Cash	5,210,516	4,889,134	10,099,650
Inventory	54,135	-	54,135
Total Assets	<u>5,840,233</u>	<u>8,176,985</u>	<u>14,017,218</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	634,686	293,146	927,832
Due to Other Funds	-	962,500	962,500
Equity in Pooled Cash	781,800	-	781,800
Unearned Revenues	90,704	-	90,704
Total Liabilities	<u>1,507,190</u>	<u>1,255,646</u>	<u>2,762,836</u>
Fund Balances			
Nonspendable:			
Inventory	54,135	-	54,135
Restricted for:			
Capital Projects	-	6,921,339	6,921,339
Assigned to:			
Special Programs	4,278,908	-	4,278,908
Unassigned	-	-	-
Total Fund Balances	<u>4,333,043</u>	<u>6,921,339</u>	<u>11,254,382</u>
Total Liabilities and Fund Balances	<u>\$ 5,840,233</u>	<u>\$ 8,176,985</u>	<u>\$ 14,017,218</u>

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance - By Fund Type
 Non-Major Governmental Funds
 Fiscal Year Ended June 30, 2019

	Special Revenue	Capital Projects	Total
Revenues			
Local Sources			
Food Services	\$ 3,576,237	\$ -	\$ 3,576,237
Donations	22,700	6,325,351	6,348,051
Other	117,729	1,520,044	1,637,773
State and Federal			
Federal Sources	513,583	-	513,583
Other	419,173	-	419,173
Total Revenues	4,691,267	7,845,395	12,536,662
Expenditures			
Instruction			
Regular Education Programs	115,270	-	115,270
Other Education Programs	421,350	-	421,350
Support			
Student Services	72	-	72
Instructional Staff Support	-	-	-
General Administration	-	58,664	58,664
School Administration	528,308	-	528,308
Business Services	-	-	-
Plant Services	40,991	387,324	428,315
Food Services	5,016,823	-	5,016,823
Capital Outlay	-	346,130	346,130
Total Expenditures	6,122,814	792,118	6,914,932
Excess of Revenues			
Over Expenditures	(1,431,547)	7,053,277	5,621,730
Other Financing Sources and Uses			
Transfers Out	(7,115)	(5,300,000)	(5,307,115)
Transfers Out - Charter Schools	-	-	-
Total Other Financing Sources (Uses)	(7,115)	(5,272,508)	(5,279,623)
Net Change in Fund Balance	(1,438,662)	1,780,769	342,107
Fund Balance, June 30, 2018	5,771,705	5,140,570	10,912,275
Fund Balance, June 30, 2019	\$ 4,333,043	\$ 6,921,339	\$ 11,254,382

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet
 Non-Major Special Revenue Funds
 June 30, 2019

	State and Local	Child Nutrition	Total
Assets			
Due from Other Governments	\$ 353,582	\$ 222,000	\$ 575,582
Equity in Pooled Cash	182,110	5,028,406	5,210,516
Inventory	--	54,135	54,135
	<u>535,692</u>	<u>5,304,541</u>	<u>5,840,233</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	140,965	493,721	634,686
Equity in Pooled Cash	781,800	-	781,800
Unearned Revenues	90,704	-	90,704
	<u>1,013,469</u>	<u>493,721</u>	<u>1,507,190</u>
Fund Balances			
Nonspendable:			
Inventory	-	54,135	54,135
Assigned to:			
Special Programs	(477,777)	4,756,685	4,278,908
	<u>(477,777)</u>	<u>4,810,820</u>	<u>4,333,043</u>
Total Fund Balances	<u>(477,777)</u>	<u>4,810,820</u>	<u>4,333,043</u>
Total Liabilities and Fund Balances	<u>\$ 535,692</u>	<u>\$ 5,304,541</u>	<u>\$ 5,840,233</u>

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
Fiscal Year Ended June 30, 2019**

	State and Local	Child Nutrition	Total
Revenues			
Local Sources			
Food Services	\$ -	\$ 3,576,237	\$ 3,576,237
Donations	22,700	-	22,700
Other	-	117,729	117,729
State and Federal			
Minimum Foundation Program	-	41,845	41,845
Federal Funds	102,608	410,975	513,583
Other	419,173	-	419,173
Total Revenues	544,481	4,146,786	4,691,267
Expenditures			
Instruction			
Regular Education Programs	115,270	-	115,270
Other Education Programs	421,350	-	421,350
Support			
Student Services	72	-	72
Instructional Staff Support	-	-	-
School Administration	528,308	-	528,308
Business Services	-	-	-
Plant Services	40,991	-	40,991
Food Services	-	5,016,823	5,016,823
Total Expenditures	1,105,991	5,016,823	6,122,814
Excess (Deficiency) of Revenues Over (Under) Expenditures	(561,510)	(870,037)	(1,431,547)
Other Financing Sources and Uses			
Transfers Out	(7,115)	-	(7,115)
Total Other Financing Sources (Uses)	(7,115)	-	(7,115)
Net Change in Fund Balance	(568,625)	(870,037)	(1,438,662)
Fund Balance, June 30, 2018	90,848	5,680,857	5,771,705
Fund Balance, June 30, 2019	\$ (477,777)	\$ 4,810,820	\$ 4,333,043

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet
 Non-Major Capital Projects Funds
 June 30, 2019

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
Assets				
Due from Other Funds	\$ -	\$ 3,287,851	\$ -	\$ 3,287,851.
Equity in Pooled Cash	2,532,737	2,356,397	-	4,889,134
Total Assets	2,532,737	5,644,248	-	8,176,985
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	293,146	-	-	293,146
Due to Other Funds	-	962,500	-	962,500
Equity in Pooled Cash	-	-	-	-
Total Liabilities	293,146	962,500	-	1,255,646
Fund Balances				
Restricted for Capital Projects	2,239,591	4,681,748	-	6,921,339
Committed for Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,239,591	4,681,748	-	6,921,339
Total Liabilities and Fund Balances	\$ 2,532,736	\$ 5,644,248	\$ -	\$ 8,176,985

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Non-Major Capital Projects Funds
 Fiscal Year Ended June 30, 2019

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
Revenues				
Local Sources				
Donations	\$ -	\$ 6,325,351	\$ -	\$ 6,325,351
Other	-	1,520,044	-	1,520,044
Total Revenues	-	7,845,395	-	7,845,395
Expenditures				
Support				
General Administration	58,664	-	-	58,664
Plant Services	366,937	20,387	-	387,324
Capital Outlay	268,394	77,736	-	346,130
Total Expenditures	693,995	98,123	-	792,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	(693,995)	7,747,272	-	7,053,277
Other Financing Sources and Uses				
Transfers In	-	-	27,492	27,492
Transfer Out	-	(5,300,000)	-	(5,300,000)
Transfers Out - Charter Schools	-	-	-	-
Total Other Financing Sources (Use)	-	(5,300,000)	27,492	(5,272,508)
Net Change in Fund Balance	(693,995)	2,447,272	27,492	1,780,769
Fund Balance, June 30, 2018	2,933,586	2,234,476	(27,492)	5,140,570
Fund Balance, June 30, 2019	\$ 2,239,591	\$ 4,681,748	\$ -	\$ 6,921,339

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Net Position
 Proprietary Fund Type - Internal Service Funds
 June 30, 2019

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Assets					
Other Receivables	\$ 300,000	\$ -	\$ -	\$ 26,825	\$ 326,825
Equity in Pooled Cash	636	733,255	2,925,530	-	3,659,421
Prepaid Items and Other Ass:	-	-	349,781	-	349,781
Total Assets	300,636	733,255	3,275,311	26,825	4,336,027
Liabilities and Net Position					
Liabilities					
Accounts Payable	283,564	234,327	58,866	26,825	603,582
Equity in Pooled Cash	-	-	-	-	-
Claims Payable	17,073	498,927	567,982	-	1,083,982
Unearned Revenue	-	-	964,443	-	964,443
Total Liabilities	300,636	733,255	1,591,292	26,825	2,652,007
Net Position					
Restricted	\$ -	\$ -	\$ 1,684,019	\$ -	\$ 1,684,019

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Revenues, Expenses
 and Changes in Net Position
 Proprietary Fund Type - Internal Service Funds
 Fiscal Year Ended June 30, 2019

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Operating Revenues					
Employer Contributions	\$ 2,788,629	\$ 1,392,979	\$ 702,575	\$ -	\$ 4,884,183
Retiree Contributions	-	808,443	-	-	808,443
Employee Contributions	13,467	-	-	-	13,467
Workers Compensation Reimbursemen	-	-	406,093	-	406,093
Total Operating Revenues	2,802,096	2,201,422	1,108,668	-	6,112,186
Operating Expenses					
General Administrative	-	-	554,553	-	554,553
Student Transportation Services	-	-	-	-	-
Central Services	2,802,096	2,201,422	554,115	-	5,557,633
Total Operating Expenses	2,802,096	2,201,422	1,108,668	-	6,112,186
Operating Income	-	-	-	-	-
Nonoperating Revenues					
Transfers In	-	-	-	-	-
Total Nonoperating Revenues	-	-	-	-	-
Change in Net Position	-	-	-	-	-
Net Position at June 30, 2018	-	-	1,684,019	-	1,684,019
Net Position at June 30, 2019	\$ -	\$ -	\$ 1,684,019	\$ -	\$ 1,684,019

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Cash Flows
Proprietary Fund Type - Internal Service Funds
Fiscal Year Ended June 30, 2019

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Cash Flows from Operating Activities					
Cash Premiums Received	\$ 2,802,096	\$ 2,201,422	\$ 1,108,668	\$ -	\$ 6,112,186
Payments for Claims and Benefits	(2,802,096)	(2,201,422)	(1,108,668)	-	(6,112,186)
Net Cash (Used in) Provided by Operating Activities	-	-	-	-	-
Cash Flows from Non-Capital Financing Activities					
Interfund Transfers	-	-	-	-	-
Net Cash (Used in) Provided by Non-Capital Financing Activities	-	-	-	-	-
Net Decrease in Cash	-	-	-	-	-
Cash, Beginning of Year	-	-	-	-	-
Cash, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income to Net Cash (Used in) Provided by Operating Activities					
Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to Reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities:					
Changes in:					
Other Receivables	-	-	-	-	-
Equity in Pooled Cash	(40,428)	(18,778)	207,795	56,643	205,232
Prepaid Items and Other Assets	-	-	-	-	-
Accounts Payable	132,028	86,178	58,867	(56,643)	220,430
Unearned Revenue	-	-	-	-	-
Claims Payable/Self-Insured	(91,600)	(67,400)	(266,662)	-	(425,662)
Net Cash (Used in) Provided by Operating Activities	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Assets and Liabilities
 Fiduciary Fund Type - Trust Funds
 June 30, 2019

	Expendable Trust	City-Wide Exceptional Needs	Trust Total
Assets			
Investments	\$ 292,821	\$ -	\$ 292,821
Due from Other Funds	389,700	-	389,700
Equity in Pooled Cash	29,442	224,722	254,164
Total Assets	<u>711,964</u>	<u>224,722</u>	<u>936,686</u>
Liabilities			
Accounts Payable	-	71,584	71,584
Total Liabilities	<u>-</u>	<u>71,584</u>	<u>71,584</u>
Net Position			
Held in Trust for Various Purposes	<u>\$ 711,965</u>	<u>\$ 153,138</u>	<u>\$ 865,102</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Changes in Assets and Liabilities
Fiduciary Fund Type - Trust Funds
June 30, 2019

	Expendable Trust	City-Wide Exceptional Needs	Trust Total
Additions			
Interest and Investment Gain	\$ 9,566	\$ -	\$ 9,566
Total Additions	<u>9,566</u>	<u>-</u>	<u>9,566</u>
Deductions			
Instruction			
Special Programs	-	1,304,225	1,304,225
Support			
General Administrative	(1,500)	-	(1,500)
Business Services	-	-	-
Total Deductions	<u>(1,500)</u>	<u>1,304,225</u>	<u>1,302,725</u>
Other Financing Sources and Uses			
Transfers In	-	1,300,000	1,300,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,300,000</u>	<u>1,300,000</u>
Changes in Net Position	11,066	(4,225)	6,841
Net Position - Beginning	<u>700,899</u>	<u>157,362</u>	<u>858,261</u>
Net Position - Ending	<u>\$ 711,965</u>	<u>\$ 153,138</u>	<u>\$ 865,102</u>

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Assets and Liabilities
 Fiduciary Fund Type - Agency Funds
 June 30, 2019

	<u>Student Activity</u>	<u>Agency Total</u>
Assets		
Cash	\$ 53,953	\$ 53,953
Due from Other Funds	<u>913</u>	<u>913</u>
Total Assets	<u>54,866</u>	<u>54,866</u>
Liabilities		
Due to Student Groups	<u>54,866</u>	<u>54,866</u>
Total Liabilities	<u>\$ 54,866</u>	<u>\$ 54,866</u>

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Changes in Assets and Liabilities
 Fiduciary Fund Type - Agency Funds
 Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions/ Transfers to OPSB	Deductions	Balance June 30, 2019
Student Activity				
Assets				
Cash	\$ 221,990	\$ 360,895	\$ 528,932	\$ 53,953
Due from Other Funds	913	-	-	913
Total Assets	<u>\$ 222,903</u>	<u>\$ 360,895</u>	<u>\$ 528,932</u>	<u>\$ 54,866</u>
Liabilities				
Due to Student Groups	\$ 222,903	\$ 360,895	\$ 528,932	\$ 54,866
Total Liabilities	<u>\$ 222,903</u>	<u>\$ 360,895</u>	<u>\$ 528,932</u>	<u>\$ 54,866</u>
Total Agency Funds				
Assets				
Cash	\$ 221,990	\$ 360,895	\$ 528,932	\$ 53,953
Due from Other Funds	913	-	-	913
Total Assets	<u>\$ 222,903</u>	<u>\$ 360,895</u>	<u>\$ 528,932</u>	<u>\$ 54,866</u>
Liabilities				
Due to Student Groups	\$ 222,903	\$ 360,895	\$ 528,932	\$ 54,866
Total Liabilities	<u>\$ 222,903</u>	<u>\$ 360,895</u>	<u>\$ 528,932</u>	<u>\$ 54,866</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Compensation, Benefits and Other Payments
to Agency Head
For the Year Ended June 30, 2019

Agency Head
Dr. Henderson Lewis, Jr.
Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 273,798
Benefits - Insurance	5,473
Benefits - Retirement	72,703
Benefits - Other	6,789
Per Diem	969
Reimbursements	60
Travel	536
Total	\$ 360,328

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Board Members' Compensation
For the Year Ended June 30, 2019

<u>Board Member</u>	<u>District</u>	<u>Gross Salary</u>
Hohn A. Brown, Sr., President	1	\$ 10,800
Ethan Ashley	2	9,600
Sarah Newell Usdin	3	9,600
Leslie Ellison, Vice President	4	9,600
Ben Kleban	5	9,600
Woody Koppel	6	9,600
Nolan Marshall, Jr.	7	9,600
		<u>\$ 68,400</u>

REQUIRED SUPPLEMENTARY INFORMATION

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 8,894,703	\$ 8,608,236	\$ 8,765,864	\$ 157,628
Sales and Use Tax (Including Vehicle)	7,277,484	7,043,102	7,042,234	(868)
Earnings on Investments	125,000	125,000	273,995	148,995
Donations	-	151,950	331,867	179,917
Other	7,862,479	8,026,690	10,680,327	2,653,637
State and Federal Sources				
Minimum Foundation Program	11,628,589	11,245,515	12,142,680	897,165
State Revenue Sharing	2,793,000	2,793,000	2,839,496	46,496
Other	2,819,876	4,660,926	1,350,431	(3,310,495)
Federal Sources	-	-	62,888	62,888
Total Revenues	41,401,131	42,654,419	43,489,782	835,363
Expenditures				
Current				
Instruction				
Regular Programs	11,117,620	11,444,237	11,754,289	(310,052)
Special Programs	3,993,162	3,971,063	3,665,503	365,560
Other Programs	2,853,421	2,862,658	2,737,877	124,781
Support				
Student Services	2,988,758	2,835,879	3,002,389	(166,510)
Instructional Staff Support	1,155,567	1,475,889	1,547,513	(71,624)
General Administration	4,274,030	4,006,275	5,480,021	(1,473,746)
School Administration	3,718,298	3,338,646	3,659,202	(320,556)
Business Services	1,582,283	1,589,775	1,650,243	(60,468)
Student Transportation Services	3,602,628	3,468,293	3,220,920	247,373
Central Services	3,073,481	3,281,178	3,181,351	99,827
Plant Services	6,597,446	7,254,696	7,050,519	204,177
Food Services	39,150	39,150	-	39,150
Other	2,146,737	1,238,317	1,627,875	(389,558)
Debt Service				
Principal Retirement	40,000	1,629,813	-	1,629,813
Total Expenditures	47,182,581	48,435,869	48,517,702	(81,833)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,781,450)	(5,781,450)	(5,027,920)	753,530

**ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule (Continued)
 General Fund
 Fiscal Year Ended June 30, 2019**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Proceeds from Insurance Settlements	-	-	169,130	169,130
Judgments	-	-	25,548	25,548
Transfers In	2,115,861	2,115,861	3,155,488	1,039,627
Appropriations from Prior Year Budgetary Fund Balance	3,665,589	3,665,589	3,665,589	-
Total Other Financing Sources (Uses)	5,781,450	5,781,450	7,015,755	1,234,305
Net Change in Fund Balance - Budgetary Basis	\$ -	\$ -	1,987,835	\$ 1,987,835
Fund Balance, June 30, 2017			64,673,298	
Less: Appropriations from Beginning of Year Fund Balance			(3,665,589)	
Fund Balance - Budgetary Basis, June 30, 2018			\$ 62,995,544	

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
Pass-Through Fund
Fiscal Year Ended June 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 173,510,889	\$ 173,510,889	\$ 173,510,889	\$ -
Sales and Use Tax (Including Vehicle)	148,006,505	148,006,505	148,006,505	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	184,606,792	184,606,792	184,606,792	-
Other	-	-	-	-
Total Revenues	<u>506,124,186</u>	<u>506,124,186</u>	<u>506,124,186</u>	<u>-</u>
Expenditures				
Current				
Support				
General Administration	11,270,955	11,270,955	11,270,955	-
Total Expenditures	<u>11,270,955</u>	<u>11,270,955</u>	<u>11,270,955</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>494,853,231</u>	<u>494,853,231</u>	<u>494,853,231</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers Out - Charters and RSD	(489,756,904)	(489,756,904)	(489,756,904)	-
Total Other Financing Sources (Uses)	<u>(489,756,904)</u>	<u>(489,756,904)</u>	<u>(489,756,904)</u>	<u>-</u>
Net Change in Fund Balance	5,096,327	5,096,327	5,096,327	-
Fund Balance, June 30, 2018	-	-	-	-
Fund Balance, June 30, 2019	<u>\$ 5,096,327.32</u>	<u>\$ 5,096,327.32</u>	<u>\$ 5,096,327.32</u>	<u>\$ -</u>

Budget amounts for the Pass-Through Fund were set equal to actual revenues and expenditures incurred since the fund has no formal budget, all revenues recognized are fully expended or transferred out to other funds and to the Recovery School District and to charter schools.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Budgetary Comparison Schedule (Continued)
Federal Grant Fund
Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Other	\$ -	\$ -	\$ -	\$ -
State and Federal Sources				
Other	461,778	461,778	461,778	-
Federal Sources	12,264,009	12,264,009	12,264,009	-
Total Revenues	12,725,787	12,725,787	12,725,787	-
Expenditures				
Current				
Instruction				
Regular Programs	319,330	319,330	319,330	-
Special Programs	1,042,355	1,042,355	1,042,355	-
Other Programs	6,039,601	6,039,601	6,039,601	-
Support				
Student Services	2,904,567	2,904,567	2,904,567	-
Instructional Staff Support	1,023,317	1,023,317	1,023,317	-
Business Services	6,694	6,694	6,694	-
Student Transportation Services	80,223	80,223	80,223	-
Central Services	46,105	46,105	46,105	-
Total Expenditures	11,462,192	11,462,192	11,462,192	-
Excess of Revenues Over Expenditures	1,263,594	1,263,594	1,263,594	-
Other Financing Sources				
Transfers Out	(885,127)	(885,127)	(885,127)	-
Total Other Financing Sources (Uses)	(885,127)	(885,127)	(885,127)	-
Net Change in Fund Balance	378,467	378,467	378,467	-
Fund Balance, June 30, 2018	(203,004)	(203,004)	(203,004)	-
Fund Balance, June 30, 2019	\$ 175,463	\$ 175,463	\$ 175,463	\$ -

The budgeted amounts of revenues and expenditures for the Federal Grant Fund were set equal to actual due to differences in grant periods compared to the fiscal period as well as extensions of grant periods.

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Net OPEB Liability and Related Ratios
 Fiscal Year Ended June 30, 2019

Total OPEB Liability	
Service cost	\$ 27,833
Interest	234,061
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	209,614
Benefit payments	<u>(426,237)</u>
Net change in total OPEB liability	45,271
Total OPEB liability - beginning	<u>6,233,373</u>
Total OPEB liability - ending	<u>\$ 6,278,644</u>
Covered-employee payroll	\$ 21,296,000
Net OPEB liability as a percentage of covered-employee payroll	29.48%

Notes to Schedule:

Benefit Changes: There were no changes of benefit terms for the year ended June 30, 2019.

Expected and Actual Experience Differences: There were no changes of assumptions for the year ended June 30, 2019.

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of the School Board's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2019

	2019			2018			2017		2016		2015	
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS	TRSL	LASERS	TRSL	LASERS	TRSL	LASERS
School Board's Proportion of the Net Pension Liability	0.52453%	0.027562%	0.00792%	0.48854%	0.062427%	0.01757%	0.57413%	0.01772%	0.60963%	0.01355%	0.58780%	0.01314%
School Board's Proportionate Share of the Net Pension Liability	\$ 51,550,913	\$ 184,152	\$ 540,002	\$ 50,084,418	\$ 399,487	\$ 1,236,441	\$ 67,385,420	\$ 1,391,786	\$ 65,549,001	\$ 921,741	\$ 60,078,661	\$ 821,567
School Board's Covered Payroll	\$ 20,652,670	\$ 40,171	\$ 936,072	\$ 28,475,490	\$ 130,747	\$ 371,666	\$ 28,825,542	\$ 385,050	\$ 27,306,350	\$ 321,035	\$ 26,191,785	\$ 265,843
School Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	249.6%	458.4%	57.7%	175.9%	305.5%	332.7%	233.8%	361.5%	240.1%	287.1%	229.4%	309.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.2%	74.4%	64.3%	65.6%	75.0%	62.5%	59.9%	57.7%	62.5%	62.7%	63.7%	65.0%

*TRSL refers to the Teachers' Retirement System of Louisiana.

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

***GASB 68 requires this schedule to show information for 10 years. The School Board implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of School Board Pension Contributions
For the Year Ended June 30, 2019

	2019			2018			2017		2016		2015	
	TRSL	LASERS	LSERS	TRSL	LASERS	LSERS	TRSL	LASERS	TRSL	LASERS	TRSL	LASERS
Contractually Required Contribution	\$ 6,255,726	\$ 58,078	\$ 48,787	\$ 6,426,368	\$ 102,989	\$ 9,148	\$ 7,345,326	\$ 133,222	\$ 7,655,504	\$ 143,239	\$ 7,683,825	\$ 118,394
Contributions in Relation to Contractually Required Contribution	\$ 6,255,726	\$ 58,078	\$ 48,787	\$ 6,426,368	\$ 102,989	\$ 9,148	\$ 7,345,326	\$ 133,222	\$ 7,655,504	\$ 143,239	\$ 7,683,825	\$ 118,394
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Board's Covered-Employee Payroll	\$20,652,670	\$ 936,072	\$ 40,171	\$24,053,560	\$ 277,746	\$ 37,240	\$28,475,489	\$ 371,665	\$28,825,542	\$ 385,050	\$ 27,306,350	\$ 321,035
Contributions as a Percentage of Covered-Employee Payroll	30.3%	6.2%	121.4%	26.7%	37.1%	24.6%	25.8%	35.8%	26.6%	37.2%	28.1%	36.9%

*TRSL refers to the Teachers' Retirement System of Louisiana.

**GASB 68 requires this schedule to show information for 10 years. The School Board implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

***Contributions as a Percentage of Covered-Employee Payroll for TRSL for each year displays a composite percentage for the three sub-plans: Regular, Plan B, and ORP.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Notes to Required Supplementary Information
For the Year Ended June 30, 2019

Note 1. Budget and Budgetary Accounting

The School Board follows these procedures in establishing the budgetary data reflected in the financial statements:

The General Fund and the Special Revenue Funds are the only funds with legally required budgets. The General Fund budget and the Special Revenue Funds' budgets are adopted on an annual basis. These budgets include proposed expenditures and the means of financing them.

Annually, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund and Special Revenues Funds. Public hearings are advertised and conducted to obtain taxpayer comments and the proposed budgets are published. The budget is adopted by the School Board and, as required, is submitted no later than September 30th to the State Department of Education for approval. The Superintendent is authorized to move budgeted items within the functional categories, the legal level of control, but may not increase the total amount authorized. The legal level of budgetary control is at the fund level.

Expenditures for Special Revenue Fund budgets, except for the Child Nutrition Program, may not exceed budgeted amounts by more than five percent unless a budget revision is approved by the State Department of Education. For the Child Nutrition Program, budget amendments follow the same requirements as the General Fund.

The Capital Projects Funds' budgets are adopted on a project basis, since such projects may be started and completed at any time during the year or may extend beyond one fiscal year. Capital Projects Funds are allocated by project using architectural and engineering estimates. All projects remain programmed and funded until completed or until the School Board decides to eliminate the project. Accordingly, budget and actual comparisons are not reported in the basic financial statements for those funds.

Budgets are prepared on the modified accrual basis of accounting, consistent with GAAP. Unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations at year end that have been approved by the Board are generally expended during the next fiscal year's operations, assuming that the underlying liability is ultimately incurred. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Notes to Required Supplementary Information
For the Year Ended June 30, 2019

Note 2. Pension Plan Schedules

Changes of Benefit Terms

There was no change of benefit terms noted for the 2017-2018 fiscal year for TRSL, LASERS and LSERS.

Changes of Assumptions

For the 2018-2019 fiscal year, the discount rates used to measure the total pension liability as of the measurement date of June 30, 2018 changed as follows:

<u>Plan</u>	<u>2019</u>	<u>2018</u>
TSRL	7.650%	7.700%
LSERS	7.625%	7.125%
LASERS	7.650%	7.700%

STATISTICAL SCHEDULES

**ORLEANS PARISH SCHOOL BOARD
STATISTICAL SECTION
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Orleans Parish School Board
Net Assets or Net Position by Component
Last Ten Years

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Governmental activities										
Invested in capital, net of related debt	\$ 33,271,630	\$ 85,580,057	\$43,680,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	169,781,270	168,501,791	135,620,037	-	-	-	-	-	-	-
Unrestricted	(144,308,667)	(131,324,898)	(22,041,015)	-	-	-	-	-	-	-
Total governmental activities net assets	58,744,233	122,756,950	157,259,459	-	-	-	-	-	-	-
Net investment in capital assets	-	-	-	93,173,834	189,781,631	329,572,642	404,272,337	418,617,089	589,598,722	1,376,151,697
Restricted	-	-	-	237,667,345	107,611,824	115,894,057	131,786,712	95,543,489	125,624,752	164,048,938
Unrestricted	-	-	-	(173,980,479)	(24,863,638)	(95,115,347)	(59,097,391)	(22,053,036)	(1,400,554)	(21,386,176)
Total governmental activities net position	-	-	-	156,860,700	272,529,817	350,351,352	476,961,658	492,107,542	713,822,920	1,518,814,459
Business-type activities										
Invested in capital, net of related debt	-	6,270,213	6,147,959	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	110,640	471,855	-	-	-	-	-	-	-
Total business-type activities net assets	-	6,380,853	6,619,814	-	-	-	-	-	-	-
Net investment in capital assets	-	-	-	6,130,365	6,932,965	6,845,190	7,079,785	7,020,394	6,898,485	6,781,769
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	7,835,395	7,084,210	26,329,574	72,877,382	91,429,611	133,875,609	136,193,931
Total business-type activities net position	-	-	-	13,965,760	14,017,175	33,174,764	79,957,167	98,450,005	140,774,094	142,975,700
Total primary government										
Invested in capital, net of related debt	33,271,630	91,850,270	49,828,396	-	-	-	-	-	-	-
Restricted	169,781,270	168,501,791	135,620,037	-	-	-	-	-	-	-
Unrestricted	(144,308,667)	(131,214,258)	(21,569,160)	-	-	-	-	-	-	-
Total primary government net assets	58,744,233	129,137,803	163,879,273	-	-	-	-	-	-	-
Net investment in capital assets	-	-	-	99,304,199	196,714,596	336,417,832	411,352,122	425,637,483	596,497,207	1,382,933,466
Restricted	-	-	-	237,667,345	107,611,824	115,894,057	131,786,712	95,543,489	125,624,752	164,048,938
Unrestricted	-	-	-	(166,145,084)	(17,779,428)	(68,785,773)	13,779,991	69,376,575	132,475,055	114,807,755
Total primary government net position	\$ -	\$ -	\$ -	\$ 170,826,460	\$ 286,546,992	\$ 383,526,116	\$ 556,918,825	\$ 590,557,547	\$ 854,597,014	\$ 1,661,790,159

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, was implemented in the 2012-2013 fiscal year.

GASB Statement 68, *Accounting and Financial Reporting for Pensions*, was implemented in the 2014-2015 fiscal year.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits*, was implemented in the 2017-2018 fiscal year.

Orleans Parish School Board
Changes in Net Assets or Net Position
Last Ten Years

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Expenses										
Governmental activities										
Instruction:										
Regular education programs	\$ 10,955,611	\$ 12,486,534	\$ 14,456,932	\$ 16,614,774	\$ 15,186,874	\$ 17,578,429	\$ 21,516,728	\$ 16,174,134	\$ 16,385,886	\$ 9,177,615
Special education programs	4,338,820	5,670,809	21,125,509	6,477,598	7,721,568	7,419,801	7,264,584	7,052,908	5,895,471	5,189,814
Other education programs	21,222,883	19,771,014	10,258,296	27,251,809	20,961,766	22,087,652	18,789,952	18,880,160	13,294,896	11,946,578
Support services:										
Pupil support services	4,049,180	4,829,455	6,416,504	6,056,891	6,946,863	8,467,577	8,683,924	8,152,528	6,881,210	11,150,900
Instructional staff services	7,033,294	7,501,398	8,522,483	7,479,352	8,982,741	8,664,341	7,487,693	7,405,242	5,155,020	3,537,557
General administration services	8,889,093	12,123,062	14,163,953	12,975,305	14,269,942	15,567,842	17,641,687	16,100,470	22,164,593	26,240,119
School administration services	1,166,269	1,846,446	2,888,897	3,009,496	3,121,943	3,024,129	3,377,102	4,281,376	4,680,218	1,848,094
Business services	2,561,389	2,198,940	2,155,218	2,110,917	2,763,926	2,684,690	2,638,368	1,956,006	2,116,559	2,535,423
Plant operation and maintenance	5,179,517	10,508,007	14,699,628	9,232,493	11,808,290	10,028,975	11,033,319	9,622,990	10,633,349	20,664,505
Student transportation services	2,590,111	3,154,365	4,520,742	3,941,658	4,086,178	4,387,320	5,307,002	5,459,981	4,068,820	1,901,265
Central services	2,760,877	2,787,098	3,207,763	3,461,728	4,986,110	4,133,550	3,010,617	3,087,937	4,069,937	3,014,076
Other	3,810,999	530,941	563,236	-	-	1,300,000	1,300,000	2,837,248	1,627,875	5,842,446
Food services	3,667,628	3,864,930	4,661,895	5,452,790	6,051,148	6,382,602	6,050,027	5,034,815	4,291,312	5,016,822
Transfer to RSD ¹ Schools	114,282,094	120,355,997	120,798,587	126,880,121	153,982,428	150,173,246	161,081,267	190,496,425	234,846,691	6,955,218
Transfer to Charter Schools	60,384,375	62,757,373	68,313,157	68,879,766	88,613,863	92,299,362	106,540,381	121,911,362	34,195,443	482,488,855
Other	-	-	-	21,914,918	10,241,702	11,518,514	9,408,816	-	-	-
Interest on long-term debt	13,574,743	9,444,926	11,903,516	5,030,902	2,621,318	2,576,631	1,862,020	1,470,071	935,818	280,629
Total expenses - governmental activities	264,436,983	279,911,295	306,656,289	326,750,516	362,366,656	368,304,661	393,073,485	419,923,653	371,224,098	597,789,916
Business-type activities										
Rental properties	-	352,599	1,256,517	1,274,741	1,233,224	1,220,000	1,178,919	1,671,536	1,899,308	4,844,528
Transfer to other LEA ²	-	-	-	16,962,630	1,307,050	6,761,118	4,569,625	2,014,162	1,719,864	-
Total expenses - business-type activities	-	352,599	1,256,517	18,237,371	2,540,274	7,981,118	5,748,544	3,685,698	3,619,272	4,844,528
Total expenses - primary government	264,436,983	280,263,894	309,912,806	344,987,887	364,906,932	376,285,779	398,822,029	423,609,351	374,843,368	602,634,444
Program revenues										
Governmental activities										
Charges for services:										
Regular education programs	-	-	-	-	-	-	-	-	-	-
Pupil support services	593,649	863,776	758,292	-	266,309	372,787	262,118	203,639	-	-
Student transportation services	-	-	-	-	12,507	600	-	-	-	-
Central services	141,287	106,369	145,518	-	8,354	10,105	10,105	5,052	-	-
Food services	555,079	551,235	595,822	582,504	630,642	458,597	422,884	120,955	119,571	3,576,237
Operating grants and contributions:										
Regular education programs	2,420,589	3,026,776	494,651	1,101,834	813,655	867,451	986,085	689,134	4,448,242	831,205
Special education programs	4,367,285	3,505,679	16,384,170	2,833,708	3,314,709	2,553,324	2,188,042	2,417,834	4,208,118	1,904,539
Other education programs	32,295,775	20,408,122	7,167,060	24,146,979	15,682,404	16,110,792	14,368,041	14,033,887	27,493,562	10,443,497
Pupil support services	5,215,048	3,457,800	3,585,847	3,607,081	3,800,312	4,111,504	4,138,236	3,997,927	9,419,120	5,198,982
Instructional staff services	9,881,871	7,054,891	6,170,010	5,315,763	6,011,898	5,539,539	4,278,769	4,836,223	9,680,869	1,818,902
General administration services	331,986	248,228	210,708	295,697	419,009	352,187	369,328	397,710	514,709	856,745
School administration services	104,277	55,349	52,622	334,762	102,785	88,414	70,700	105,758	108,685	60,341
Business services	147,535	45,022	39,917	68,270	86,759	69,175	62,877	53,853	61,687	93,925
Plant operation and maintenance	517,960	235,226	240,861	210,401	352,473	235,909	232,672	237,705	248,929	674,701
Student transportation services	1,101,617	212,942	367,150	371,778	198,855	244,478	271,532	357,111	116,396	195,615
Central services	254,722	159,214	180,795	180,201	236,695	129,892	95,101	122,280	270,191	175,156
Food services	3,738,920	3,655,608	4,444,563	5,294,818	5,960,000	6,735,153	6,608,667	5,640,683	4,813,688	410,975

(Continued)

1. RSD - Recovery School District

2. LEA - Local education agency

Table 2

Orleans Parish School Board Changes in Net Assets or Net Position Last Ten Years										
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Program revenues										
Governmental activities										
Capital grants and contributions										
Regular education programs	\$ 932,288	\$ 1,430,486	\$ 2,165,271	\$ 1,568,221	\$ 15,177,826	\$ 10,729,799	\$ 15,165,679	\$ 4,241,078	\$ 1,327,706	\$ 1,633,645
Special education programs	369,220	649,713	3,164,049	610,622	7,711,891	4,529,015	5,119,835	1,849,369	477,776	923,804
Other education programs	1,806,002	2,266,218	1,536,424	2,568,940	20,935,493	13,482,210	13,242,530	4,950,635	1,077,251	2,126,529
Pupil support services	344,573	553,318	981,024	570,963	6,938,156	5,168,573	6,120,139	2,137,704	555,946	1,984,856
Instructional staff services	598,512	859,447	1,276,442	705,054	8,971,482	5,288,677	5,277,075	1,941,756	417,698	629,637
General administration services	586,241	1,389,049	2,121,390	1,223,140	14,262,056	9,502,545	12,433,270	4,221,763	1,795,940	4,670,826
School administration services	98,395	223,007	432,681	283,695	3,118,030	1,845,915	2,380,069	1,122,635	379,226	328,967
Business services	217,966	251,936	322,795	198,989	2,760,459	1,644,827	1,859,432	512,891	171,499	451,314
Plant operation and maintenance	440,769	1,203,918	2,201,620	870,317	11,793,489	6,121,643	7,775,914	2,523,279	891,593	3,678,349
Student transportation services	220,411	381,401	677,089	371,567	4,091,043	2,878,002	3,740,197	1,431,681	329,686	339,431
Central services	234,942	317,031	480,439	326,326	4,979,861	2,523,102	2,121,783	809,699	329,777	536,515
Total program revenues - governmental activities	87,514,917	53,090,761	56,155,210	53,839,600	138,627,152	101,394,315	109,491,060	58,862,241	69,223,863	43,543,793
Business-type activities										
Rental properties	-	402,191	1,495,171	1,572,356	1,546,299	1,484,828	1,432,970	1,272,433	1,267,189	4,117,240
Total program revenues - primary government	87,514,917	53,492,952	57,650,381	55,211,956	140,173,451	102,879,143	110,924,030	60,134,674	70,491,052	47,661,033
Net (Expense) Revenue										
Governmental activities	(186,922,066)	(228,820,534)	(252,501,079)	(273,110,916)	(223,739,506)	(266,910,346)	(283,582,425)	(361,061,412)	(302,000,233)	(554,246,123)
Business-type activities	-	49,592	238,654	(16,865,015)	(993,975)	(6,486,290)	(4,315,574)	(2,413,265)	(2,352,083)	(727,288)
Total net (expense) revenue - primary government	(186,922,066)	(226,770,942)	(252,262,425)	(289,775,931)	(224,733,481)	(273,406,636)	(287,897,999)	(363,474,677)	(304,352,316)	(554,973,411)
General revenues										
Governmental activities										
Taxes										
Ad valorem (property) taxes	110,517,622	110,794,005	120,447,536	133,691,064	136,834,484	148,298,545	158,311,016	165,148,640	169,291,560	196,576,386
Sales and use taxes	84,919,257	95,109,617	90,820,786	108,119,002	113,721,226	123,557,264	127,844,470	132,079,437	139,638,108	174,439,910
State revenue sharing	1,625,992	2,777,950	2,253,417	2,455,088	2,719,832	2,759,731	2,690,500	2,829,784	2,839,496	2,839,631
Minimum Foundation Program (MFP)	35,520,337	38,921,305	42,342,377	46,048,138	51,497,324	56,596,779	64,377,681	68,466,119	24,693,985	190,637,424
Interest and investment earnings	1,418,916	487,919	370,195	175,947	135,717	65,351	75,553	236,795	870,048	1,631,395
Internal service funds net operating profit (loss)	(947,997)	(734,781)	(129,079)	-	-	-	-	1,684,019	-	-
Contributions and donations	-	-	-	-	-	-	-	-	158,318,974	777,248,187
Donation of capital assets	-	-	-	-	-	70,828,578	43,359,340	-	-	-
Judgments	-	-	-	-	-	-	20,499,056	1,089,834	25,548	31,018
Insurance Proceeds	18,000,000	-	-	-	12,830,745	-	-	-	-	-
Proceeds from insurance settlement	-	-	-	-	-	-	-	-	189,130	1,431
Miscellaneous	1,040,590	3,466,640	22,600,106	6,208,367	9,030,517	8,319,615	14,755,785	7,523,709	34,467,991	17,132,280
Extraordinary item-debt forgiveness	-	46,341,784	8,298,250	-	-	-	-	-	-	-
Extraordinary item-community disaster loan forgiveness	-	-	-	-	8,636,118	-	-	-	-	-
Extraordinary item-community disaster loan refund	-	-	-	-	4,892,601	-	-	-	-	-
Transfers	-	(8,331,168)	-	(23,985,449)	(889,921)	(10,662,440)	(21,720,670)	(62,518)	-	(1,300,000)
Total general revenues - governmental activities	252,094,717	290,833,251	287,003,568	272,712,157	339,408,623	399,583,423	410,192,731	378,985,799	530,304,240	1,359,237,662
Business-type activities										
Interest and investment earnings	-	93	307	25,512	155,469	360,047	868,325	1,428,416	2,042,398	2,928,894
Gain on sale of capital assets	-	-	-	-	-	14,631,392	22,838,667	-	32,111,655	-
Contributions and donations	-	-	-	-	-	-	5,670,315	19,415,169	10,522,119	-
Transfers	-	6,331,168	-	23,985,449	889,921	10,662,440	21,720,670	62,518	-	-
Total general revenues - business-type activities	-	6,331,261	307	24,010,961	1,045,390	25,653,879	51,097,977	20,906,103	44,676,172	2,928,894
Total general revenues - primary government	252,094,717	297,164,512	287,003,895	296,723,118	340,454,013	425,217,302	461,290,708	397,891,902	574,980,412	1,362,166,556

(Continued)

Orleans Parish School Board
Changes in Net Assets or Net Position
Last Ten Years

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Change in net assets										
Governmental activities	\$ 55,172,651	\$ 64,012,717	\$ 34,502,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities	-	6,380,853	238,961	-	-	-	-	-	-	-
Primary government	<u>\$ 55,172,651</u>	<u>\$ 70,393,570</u>	<u>\$ 34,741,470</u>	-	-	-	-	-	-	-
Change in net position										
Governmental activities	-	-	-	(398,759)	115,669,117	132,653,077	126,610,306	15,924,387	228,304,007	804,991,539
Business-type activities	-	-	-	7,345,946	51,415	19,157,589	46,782,403	18,492,838	42,324,089	2,201,606
Primary government	-	-	-	<u>\$ 6,947,187</u>	<u>\$ 115,720,532</u>	<u>\$ 151,810,666</u>	<u>\$ 173,392,709</u>	<u>\$ 34,417,225</u>	<u>\$ 270,628,096</u>	<u>\$ 807,193,145</u>

(Concluded)

Orleans Parish School Board
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
General fund										
Nonspendable	-	1,568,413	1,339,721	1,767,124	1,463,131	1,376,359	1,761,547	1,947,309	355,370	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	57,575,447
Assigned	-	-	1,009,159	300,442	-	-	1,600,000	2,945,137	-	-
Unassigned	-	<u>43,062,780</u>	<u>44,112,857</u>	<u>44,810,496</u>	<u>45,988,618</u>	<u>46,357,464</u>	<u>65,942,358</u>	<u>59,780,852</u>	<u>62,640,174</u>	-
Total general fund	<u>49,993,375</u>	<u>44,631,193</u>	<u>46,461,737</u>	<u>46,878,062</u>	<u>47,451,749</u>	<u>47,733,823</u>	<u>69,303,905</u>	<u>64,673,298</u>	<u>62,995,544</u>	<u>57,575,447</u>
All other governmental funds										
Nonspendable	-	35,049	30,232	54,208	41,974	24,771	51,637	70,617	68,395	54,135
Restricted	-	168,548,087	132,279,767	112,850,565	107,569,850	115,869,286	131,735,075	95,472,872	125,624,752	165,425,379
Committed	-	-	-	-	1,417,906	8,838,455	10,718,972	38,312,482	41,073,893	83,623,442
Assigned	-	3,887,320	6,397,525	128,311,666	4,717,682	5,166,507	5,774,208	6,754,762	5,703,310	4,278,908
Unassigned	-	<u>(36,853,024)</u>	<u>(14,413,514)</u>	<u>(170,419,104)</u>	<u>(34,120,734)</u>	<u>(62,345,046)</u>	<u>(56,062,362)</u>	<u>(43,923,880)</u>	<u>(4,217,647)</u>	<u>(17,119,178)</u>
Total all other governmental funds	<u>173,763,317</u>	<u>135,617,432</u>	<u>124,294,010</u>	<u>70,797,335</u>	<u>79,626,678</u>	<u>67,553,973</u>	<u>92,217,530</u>	<u>96,686,853</u>	<u>168,252,703</u>	<u>236,262,686</u>
Total fund balances	<u>\$ 223,756,692</u>	<u>\$ 180,248,625</u>	<u>\$ 170,755,747</u>	<u>\$ 117,675,397</u>	<u>\$ 127,078,427</u>	<u>\$ 115,287,796</u>	<u>\$ 161,521,435</u>	<u>\$ 161,360,151</u>	<u>\$ 231,248,247</u>	<u>\$ 293,838,133</u>

Orleans Parish School Board
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Property</u>	<u>Less Homestead Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>% Increase</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2009-2010	2010	\$2,489,801,675	\$ 387,334,015	\$ 163,911,580	\$ 362,665,406	\$ 2,678,381,864		44.12	\$28,135,889,837	9.52%
2010-2011	2011	2,586,081,540	385,699,970	167,557,410	372,613,310	2,766,725,610	3.3%	44.12	29,102,378,173	9.51%
2011-2012	2012	2,760,973,210	390,952,232	183,003,600	385,256,805	2,949,672,237	6.6%	43.60	30,948,094,713	9.53%
2012-2013	2013	2,920,015,480	413,120,240	193,722,510	437,893,609	3,088,964,621	4.7%	44.81	32,729,179,773	9.44%
2013-2014	2014	2,992,593,440	405,514,430	181,055,280	448,696,881	3,130,466,269	1.3%	45.31	33,353,585,053	9.39%
2014-2015	2015	3,188,376,880	431,355,330	170,541,020	458,941,272	3,331,331,958	6.4%	45.31	35,441,635,080	9.40%
2015-2016	2016	3,376,000,510	456,453,540	169,105,350	468,352,645	3,533,206,755	6.1%	45.31	37,479,450,100	9.43%
2016-2017	2017	3,481,746,390	471,985,530	175,685,210	475,465,500	3,653,951,630	3.4%	45.31	38,666,774,940	9.45%
2017-2018	2018	3,592,392,910	497,655,080	173,902,710	474,928,030	3,789,022,670	3.7%	45.31	39,937,240,473	9.49%
2018-2019	2019	3,651,926,590	527,777,040	169,565,520	471,545,070	3,877,724,080	2.3%	45.31	40,716,041,580	9.52%
2019-2020	2020	4,187,933,480	543,771,340	161,499,030	479,307,090	4,413,896,760	13.8%	45.31	46,150,473,187	9.56%

Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are assessed at 15% of fair market value; and public service properties, excluding land, are assessed at 25% of fair market value. The overall assessed value is estimated to be 14%-15% of actual market value.

Estimated Actual Taxable Value equals Estimated Market Value; actual market value may be different.

Source: Louisiana Tax Commission

Orleans Parish School Board
Ad Valorem Revenue Rates and Levies, Direct and Overlapping
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>School</u>	<u>Overlapping Rates</u>			<u>Total Direct & Overlapping</u>
		<u>Parish</u>	<u>Levee</u>	<u>Miscellaneous</u>	
<u>Tax Rates (Mills per Dollar)</u>					
2009-2010	44.12	11.72	24.43	72.33	152.60
2010-2011	44.12	15.10	24.43	76.69	160.34
2011-2012	43.60	15.10	24.43	76.69	159.82
2012-2013	44.81	15.10	11.67	76.69	148.27
2013-2014	45.31	15.10	11.67	76.69	148.77
2014-2015	45.31	15.10	11.67	76.59	148.67
2015-2016	45.31	13.91	12.28	80.28	151.78
2016-2017	45.31	13.91	12.28	75.62	147.12
2017-2018	45.31	13.91	12.28	82.58	154.08
2018-2019	45.31	13.91	12.28	79.58	151.08

Tax Levies

2009-2010	\$ 118,170,208	\$ 31,390,635	\$ 65,432,869	\$ 193,727,360	\$ 408,721,072
2010-2011	122,067,934	41,777,557	67,591,107	212,180,186	443,616,784
2011-2012	128,605,710	44,540,051	72,060,493	226,210,363	471,416,617
2012-2013	138,416,505	46,643,366	36,048,217	236,892,696	458,000,784
2013-2014	141,841,427	47,270,041	36,532,541	240,075,458	465,719,467
2014-2015	150,942,651	50,303,113	38,876,644	255,146,714	495,269,122
2015-2016	160,089,598	49,146,906	43,387,779	321,522,883	574,147,166
2016-2017	165,560,639	50,826,495	44,870,551	276,311,973	537,569,658
2017-2018	171,680,617	52,705,305	46,529,198	312,897,493	583,812,613
2018-2019	175,289,083	53,813,091	47,507,171	307,868,136	584,477,481

The tax levies represent the original levy of the Assessor and exclude the homestead exemption amount.

Source: Louisiana Tax Commission

Orleans Parish School Board
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago

Taxpayer	2018-2019			2009-2010		
	Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
Entergy	\$ 114,444	1	3.02%	\$ 63,918	1	2.51%
Capital One Bank	47,329	2	1.25%	-	-	-
Marriott Hotel	32,944	3	0.87%	19,173	8	0.76%
BellSouth Telecommunication	31,242	4	0.82%	57,127	2	2.25%
Hancock Whitney Bank	30,697	5	0.81%	-	-	-
Harrah's Entertainment	26,582	6	0.70%	35,163	5	1.38%
JP Morgan Chase Bank	22,068	7	0.58%	13,723	9	0.54%
Folger Coffee	19,740	8	0.52%	-	-	-
International Rivercenter	18,105	9	0.48%	19,196	7	0.76%
Sheraton Hotel	16,899	10	0.45%	-	-	-
Hibernia National Bank	-	-	-	46,409	3	1.82%
Whitney Bank	-	-	-	41,221	4	1.62%
CS&M Real Estate (Sheraton)	-	-	-	19,907	6	0.78%
SHC New Orleans (Hyatt)	-	-	-	10,877	10	0.43%
Total	<u>\$ 360,050</u>		9.50%	<u>\$ 326,714</u>		12.85%

Source: City of New Orleans, Department of Finance, Bureau of the Treasury

Table 8

Orleans Parish
Sales and Use Tax Rates - All Governments
July 1, 2018 - June 30, 2019

<u>Taxing Entity</u>	<u>General Sales</u>	<u>Food and Drug Sales</u>
School Board	1.50%	1.50%
City of New Orleans	2.50%	2.50%
Regional Transit Authority (RTA)	<u>1.00%</u>	<u>0.50%</u>
Local Rate	5.00%	4.50%
State Rate	<u>4.45%</u>	<u>4.45%</u>
Total Rate	9.45%	8.95%

Source: Louisiana Association of Tax Administrators

Orleans Parish School Board
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities			Qualified School Construction				Total Debt	Percentage of Personal	Outstanding
<u>June 30</u>	<u>General Obligation Bonds</u>	<u>Refunding Bonds</u>	<u>Bonds</u>	<u>Loans</u>	<u>Leases</u>	<u>Unamortized Bond Premium</u>	<u>Outstanding^a</u>	<u>Income^b</u>	<u>Debt Per Capita^b</u>
2010	\$ 124,295,000	\$ 31,116,854	\$ -	\$ 135,833,281	\$ 964,000	\$ -	\$ 292,209,135	4.71%	\$ 891
2011	-	120,130,767	-	94,731,084	-	7,150,160	222,012,011	6.63%	638
2012	-	104,741,527	79,055,000	11,133,343	-	6,920,143	201,850,013	7.53%	560
2013	-	89,884,206	79,055,000	8,636,118	-	6,076,048	183,651,372	9.10%	497
2014	-	74,748,877	79,055,000	-	-	5,231,953	159,035,830	10.56%	420
2015	-	61,520,000	79,055,000	-	-	4,387,858	144,962,858	12.18%	378
2016	-	51,615,000	79,055,000	-	-	3,543,763	134,213,763	13.88%	344
2017	-	41,240,000	79,055,000	-	-	2,699,668	122,994,668	15.34%	314
2018	-	30,360,000	79,055,000	-	-	1,855,573	111,270,573	17.40%	284
2019	-	18,940,000	79,055,000	-	-	1,011,478	99,006,478	20.54%	253

a. Details regarding outstanding debt can be found in Note 7 to the financial statements.

b. Personal income information and student enrollment data can be found in the Demographic and Economic Statistics table (Table 12).

Orleans Parish School Board
Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
General Bonded Debt Outstanding ^a										
General Obligation Bonds	\$ 155,411,854	\$ 120,130,767	\$ 104,741,527	\$ 89,884,206	\$ 74,748,877	\$ 61,520,000	\$ 51,615,000	\$ 41,240,000	\$ 30,360,000	\$ 18,940,000
Qualified School Construction Bonds	\$ -	\$ -	\$ 79,055,000	\$ 79,055,000	\$ 79,055,000	\$ 79,055,000	\$ 79,055,000	\$ 79,055,000	\$ 79,055,000	\$ 79,055,000
Total	\$ 155,411,854	\$ 120,130,767	\$ 183,796,527	\$ 168,939,206	\$ 153,803,877	\$ 140,575,000	\$ 130,670,000	\$ 120,295,000	\$ 109,415,000	\$ 97,995,000
Percentage of estimated actual property value ^b	0.6%	0.4%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%	0.3%	0.2%
Less amounts available in Debt Service funds	\$ (63,149,907)	\$ (44,335,178)	\$ (37,978,291)	\$ (35,382,234)	\$ (37,256,500)	\$ (45,388,052)	\$ (56,059,162)	\$ (65,040,281)	\$ (74,415,686)	\$ (82,179,229)
Less QSCB bonds secured by alimony tax	\$ -	\$ -	\$ (79,055,000)	\$ (79,055,000)	\$ (79,055,000)	\$ (79,055,000)	\$ (79,055,000)	\$ (79,055,000)	\$ (79,055,000)	\$ (79,055,000)
Total net debt applicable to debt limit	\$ 92,261,947	\$ 75,795,589	\$ 66,763,236	\$ 54,501,972	\$ 37,492,377	\$ 16,131,948	\$ (4,444,162)	\$ (23,800,281)	\$ (44,055,686)	\$ (63,239,229)
Legal debt limit ^c	\$1,064,366,545	\$1,098,768,622	\$1,167,225,165	\$1,234,400,381	\$1,252,707,103	\$1,326,595,631	\$1,400,545,790	\$1,445,295,996	\$1,492,382,745	1,522,244,203
Legal debt margin	\$ 972,104,598	\$ 1,022,973,033	\$ 1,100,461,929	\$ 1,179,898,409	\$ 1,215,214,726	\$ 1,310,463,683	\$ 1,404,989,952	\$ 1,469,096,277	\$ 1,536,438,431	\$ 1,585,483,432
Legal debt margin as a percentage of debt limit	91.3%	93.1%	94.3%	95.6%	97.0%	98.8%	100.3%	101.6%	103.0%	104.2%

a. Details regarding outstanding debt can be found in Note 7 to the financial statements.

b. Property value data can be found in the Assessed Value and Estimated Actual Value of Property table (Table 5).

c. LSA-RS 39:562 limits outstanding long-term bonded debt to 35% of the assessed value of taxable property

Orleans Parish School Board
Ratios of General Bonded Debt
Last Ten Fiscal Years

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
General Bonded Debt Outstanding										
General Obligation Bonds	\$ 155,411,854	\$ 120,130,767	\$ 104,741,527	\$ 89,884,206	\$ 74,748,877	\$ 61,520,000	\$ 51,615,000	\$ 41,240,000	\$ 30,360,000	\$ 18,940,000
Qualified School Construction Bonds	-	-	79,055,000	79,055,000	79,055,000	79,055,000	79,055,000	79,055,000	79,055,000	79,055,000
Subtotal - Bonded Debt	155,411,854	120,130,767	183,796,527	168,939,206	153,803,877	140,575,000	130,670,000	120,295,000	109,415,000	97,995,000
Unamortized bond premium	-	7,150,160	6,920,143	6,076,048	5,231,953	4,387,858	3,543,763	2,699,668	1,855,573	1,011,478
Total	155,411,854	127,280,927	190,716,670	175,015,254	159,035,830	144,962,858	134,213,763	122,994,668	111,270,573	99,006,478
Less amounts available in Debt Service funds	(63,149,907)	(44,335,178)	(37,978,291)	(35,382,234)	(37,256,500)	(45,388,052)	(56,059,162)	(65,040,281)	(74,415,686)	(82,179,229)
Less QSCB bonds secured by alimony tax	-	-	(79,055,000)	(79,055,000)	(79,055,000)	(79,055,000)	(79,055,000)	(79,055,000)	(79,055,000)	(79,055,000)
Net general bonded debt	92,261,947	82,945,749	73,683,379	60,578,020	42,724,330	20,519,806	(900,399)	(21,100,613)	(42,200,113)	(62,227,751)
Estimated actual taxable value of property	28,135,889,837	29,102,378,173	30,948,094,713	32,729,179,773	33,353,585,053	35,441,635,080	37,479,450,100	38,666,774,940	39,937,240,473	40,716,041,580
Net general bonded debt as a percentage of estimated actual taxable value	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%	0.0%	-0.1%	-0.1%	-0.2%

Details regarding outstanding debt can be found in Note 7 to the financial statements.

Table 12

Orleans Parish School Board
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u> ^a	<u>Total Personal Income</u> ^a	<u>Per Capita Personal Income</u> ^a	<u>Unemployment Rate</u> ^b
2009-2010	327,803	\$ 13,748,544	\$ 41,941	7.9%
2010-2011	347,770	14,727,201	42,348	8.7%
2011-2012	360,686	15,205,042	42,156	8.6%
2012-2013	369,761	16,718,993	45,216	7.9%
2013-2014	378,623	16,788,818	44,342	7.3%
2014-2015	383,930	17,658,878	45,995	6.9%
2015-2016	389,791	18,624,894	47,782	6.5%
2016-2017	391,977	18,872,769	48,148	5.9%
2017-2018	391,538	19,356,079	49,436	5.1%
2018-2019	391,006	20,333,723	52,004	5.0%

Sources:

a. Bureau of Economic Analysis, U.S. Department of Commerce

b. Bureau of Labor Statistics, U.S. Department of Labor

Orleans Parish School Board
Principal Employers by Industry Sector
Current Year and Nine Years Prior

<u>Employer</u>	2018-2019			2009-2010		
	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>
Professional and technical services	2,270	1	1.2%	2,196	1	1.1%
Retail trade	1,527	2	0.8%	1,508	3	0.8%
Accommodation and food services	1,665	3	0.8%	1,616	2	0.8%
Health care and social assistance	1,178	4	0.6%	1,133	5	0.6%
Other services, except public administration	1,178	4	0.6%	1,180	4	0.6%
Administrative and waste services	730	5	0.4%	720	6	0.4%
Construction	596	6	0.3%	608	7	0.3%
Wholesale trade	575	6	0.3%	546	9	0.3%
Real estate rental and leasing	575	7	0.3%	538	10	0.3%
Information	327	8	0.2%	306	13	0.2%
Arts, entertainment and recreation	325	9	0.2%	310	12	0.2%
Finance and insurance	590	10	0.3%	591	8	0.3%

Source: Louisiana Workforce Commission

Table 14

Ascension Parish School Board
School Location and Performance Score
at October 1, 2018

<u>School Name</u>	<u>Geographic Area</u>	<u>Grade Configuration</u>	<u>2018-2019 School Performance Score</u>
Akili Academy of New Orleans	Downtown	PK4 - 8	57.0
Alice Harte Charter School	West Bank	PK4 - 8	83.5
Andrew H. Wilson Charter School	Uptown	PK4 - 8	68.4
ARISE Academy	Downtown	K - 8	47.3
Audubon Charter School: Gentilly	Gentilly / Lakeview	PK4 - 3	Unavailable
Audubon Charter School: Uptown	Uptown	PK3 - 8	86.7
Benjamin Franklin Elementary Mathematics and Science School	Uptown	PK3 - 8	71.2
Benjamin Franklin High School	Gentilly / Lakeview	9 - 12	135.5
Bricolage Academy	Mid City	PK4 - 6	77.6
Collegiate Academies: Abramson Sci Academy	New Orleans East	9 - 12	79.3
Collegiate Academies: G.W. Carver High School	Gentilly / Lakeview	9 - 12	66.1
Collegiate Academies: Livingston Collegiate Academy	New Orleans East	9 - 12	68.4
Collegiate Academies: Opportunities Academy @G.W. Carver High	Gentilly / Lakeview	12	Unavailable
Collegiate Academies: Rosenwald Collegiate Academy	West Bank	9 - 10	84.5
Cypress Academy	Mid City	K - 4	Unavailable
Dr. Martin Luther King, Jr. Charter School for Science and Technology	Downtown	PK4 - 11	58.8
Dwight D. Eisenhower Academy of Global Studies	West Bank	PK4 - 8	63.8
E.P. Harney Spirit of Excellence Academy	CBD / Garden District	K - 8	Unavailable
Edna Karr High School	West Bank	9 - 12	92.0
Edward Hynes Charter School	Gentilly / Lakeview	PK3 - 8	95.3
Edward Hynes Charter School French Immersion - UNO	Gentilly / Lakeview	K	Unavailable
Einstein Charter School at Sarah Towles Reed	New Orleans East	6 - 12	71.0
Einstein Charter School at Sherwood Forest	New Orleans East	PK4 - 5	50.8
Einstein Charter School at Village De L'est	New Orleans East	PK4 - 5	54.7
Elan Academy	West Bank	PK4 - 4	Unavailable
Eleanor McMain Secondary School	Uptown	9 - 12	80.1
ENCORE Academy	Downtown	PK4 - 8	57.5
Esperanza Charter School	Mid City	K - 8	64.9

Table 14

Ascension Parish School Board
School Location and Performance Score
at October 1, 2018

<u>School Name</u>	<u>Geographic Area</u>	<u>Grade Configuration</u>	<u>2018-2019 School Performance Score</u>
Fannie C. Williams Charter School	New Orleans East	PK4 - 8	55.3
FirstLine Schools: Arthur Ashe Charter School	Gentilly / Lakeview	K - 8	64.4
FirstLine Schools: Langston Hughes Academy	Mid City	PK4 - 8	58.4
FirstLine Schools: Live Oak Academy	Uptown	PK4 - 8	50.9
FirstLine Schools: Phillis Wheatley Community School	Mid City	PK4 - 8	58.4
FirstLine Schools: Samuel J. Green Charter School	Uptown	PK4 - 8	63.9
Foundation Preparatory	Mid City	K - 5	56.6
Harriet Tubman Charter School	West Bank	K - 8	55.7
Homer A. Plessy Community School	Downtown	PK4 - 8	61.0
IDEA Oscar Dunn	New Orleans East	K - 5	Unavailable
International High School	CBD / Garden District	9 - 12	Unavailable
International School of Louisiana: Camp Street Campus	CBD / Garden District	K - 8	Unavailable
International School of Louisiana: Oliver Street Campus	West Bank	K - 5	Unavailable
James M. Singleton Charter School	CBD / Garden District	PK4 - 8	35.3
JCFA Algiers	West Bank	8 - 12	Unavailable
John F. Kennedy High School at Lake Area	Gentilly / Lakeview	9 - 12	65.2
Joseph A. Craig Charter School	Downtown	PK4 - 8	38.8
KIPP Believe	Gentilly / Lakeview	K - 8	60.5
KIPP Booker T. Washington High School	CBD / Garden District	9 - 12	59.4
KIPP Central City	CBD / Garden District	K - 8	67.4
KIPP East Community	New Orleans East	K - 5	60.9
KIPP Leadership	Downtown	K - 8	59.0
KIPP Morial (McDonogh 15)	New Orleans East	PK4 - 8	64.6
KIPP Renaissance High School	Downtown	9 - 12	79.3
L.B. Landry-O. Perry Walker College and Career Preparatory High School	West Bank	9 - 12	60.4
Lafayette Academy Charter School	Uptown	PK4 - 8	47.9
Lafayette Extension at Paul L. Dunbar School	Uptown	K - 8	Unavailable
Lake Forest Elementary Charter School	New Orleans East	K - 8	117.2

Ascension Parish School Board
School Location and Performance Score
at October 1, 2018

<u>School Name</u>	<u>Geographic Area</u>	<u>Grade Configuration</u>	<u>2018-2019 School Performance Score</u>
Lawrence D. Crocker College Prep: A School for the Arts and Technology Living School	Uptown	PK4 - 8	43.0
Lusher Charter Elementary School	New Orleans East	9	Unavailable
Lusher Middle and High Charter School	Uptown	K - 5	123.1
Lycee Francais de la Nouvelle-Orleans (LFNO)	Uptown	6 - 12	123.1
Martin Behrman Charter School Academy of Creative Arts and Sciences	Uptown	PK4 - 9	Unavailable
Mary D. Coghill Elementary School	West Bank	PK4 - 8	63.7
Mary McLeod Bethune Elementary School of Literature and Technology	Gentilly / Lakeview	K - 8	44.0
McDonogh #32 Literacy Charter School	Gentilly / Lakeview	PK4 - 8	68.9
McDonogh #35 College Prepatatory High School	West Bank	PK4 - 8	Unavailable
McDonogh #42 Elementary Charter School	Gentilly / Lakeview	9 - 12	58.3
Medard H. Nelson Charter School	Mid City	PK4 - 8	60.9
Mildred Osborne Charter School	Mid City	PK4 - 8	Unavailable
Morris Jeff Community School	New Orleans East	K - 8	58.6
New Harmony High	Mid City	PK4 - 11	73.6
New Orleans Center for Creative Arts	Downtown	9 - 10	Unavailable
New Orleans Charter Science and Math High School (Sci High)	Downtown	9 - 12	Unavailable
New Orleans Military and Maritime Academy (NOMMA)	Uptown	9 - 12	83.5
Noble Minds Institute for Whole Child Learning	West Bank	8 - 12	Unavailable
Paul Habans Charter School	Uptown	K - 4	Unavailable
Pierre A. Capdau Charter School at Avery Alexander Elementary	West Bank	PK4 - 8	62.4
ReNew Accelerated High	Gentilly / Lakeview	PK4 - 8	54.5
ReNew Dolores T. Aaron Academy	Uptown	9 - 12	Unavailable
ReNew Schaumburg Elementary	New Orleans East	9 - 12	57.6
ReNew Scitech Academy	New Orleans East	PK4 - 8	48.8
Robert Russa Moton Charter School	CBD / Garden District	PK4 - 8	51.2
Rooted School	New Orleans East	PK4 - 8	56.4
Sophie B. Wright Charter School	Uptown	9 - 11	65.0
	Uptown	9 - 12	78.4

Table 14

Ascension Parish School Board
 School Location and Performance Score
 at October 1, 2018

<u>School Name</u>	<u>Geographic Area</u>	<u>Grade Configuration</u>	<u>2018-2019 School Performance Score</u>
Success Prep @ Thurgood Marshall	Mid City	K - 8	54.5
The Net Charter High School	CBD / Garden District	9 - 12	Unavailable
The Net Charter High School: Gentilly	Gentilly / Lakeview	9 - 12	Unavailable
Travis Hill at the Orleans Justice Center	Mid City	1 - 12	Unavailable
Travis Hill School at the Youth Study Center	Gentilly / Lakeview	1 - 12	Unavailable
Walter L. Cohen College Prep	Uptown	9 - 12	43.7
Walter L. Cohen: Academy of Career and Community Education (ACCE)	Uptown	9 - 12	Unavailable
Warren Easton High School	Mid City	9 - 12	92.9
William J. Fischer Accelerated Academy	West Bank	PK4 - 8	Unavailable
District Performance Score			67.8



Luther Speight & Company
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Orleans Parish School Board
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (the School Board), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 18, 2019. Our report includes a reference to other auditors who audited the financial statements of the following aggregate discretely presented component units: Warren Easton Senior High School, Hynes Charter School, Homer A. Plessy Community School, Elan Elementary, Bethune Elementary, Benjamin Franklin Elementary, Rooted School, and Foundation Preparatory, as described in our report on the School Board's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2019-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2019-02 to be a significant deficiency.

Compliance and Other Matters

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

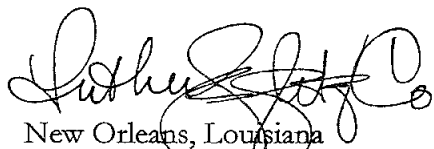
School Board's Response to Findings

The School Board's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

The report is intended solely for the information and use of the School Board, the State of Louisiana, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



New Orleans, Louisiana
December 18, 2019



Luther Speight & Company
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Orleans Parish School Board
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Orleans Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2019. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

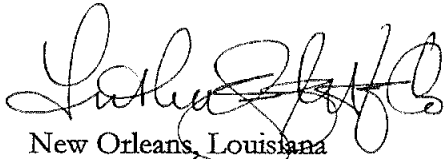
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the School Board, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 18, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is represented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The report is intended solely for the information and use of the School Board, the State of Louisiana, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised State 24:513, this report is distributed by the Legislative Auditor as a public document.



New Orleans, Louisiana
December 18, 2019

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor No.	School Board Expenditures	Charter Pass-Through Expenditures
United States Department of Agriculture (USDA)				
Passed Through Louisiana Department of Agriculture				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	-	\$ 467,494	\$ -
Noncash Assistance Subtotal			467,494	-
Cash Assistance:				
National School Lunch Program	10.555	-	3,167,804	-
National School Lunch Program Equipment	10.556		27,400	
Summer Food Service Program for Children	10.559	-	91,968	-
Cash Assistance Subtotal			3,287,172	-
Total United States Department of Agriculture			3,754,666	-
United States Department of Defense				
ROTC				
	12.998	-	99,241	-
Total United States Department of Defense			99,241	-
United States Department of Education				
Passed through the Louisiana Department of Education				
No Child Left Behind Act (NCLB)				
Title I	84.010A	28-17-T1-36	3,354,830	2,471,623
Title II	84.367A	28-17-50-36	1,311,361	22,856
Title III	84.365A	28-17-60-36	38,861	10,800
Individuals with Disabilities and Exceptionalities Act (IDEA)				
IDEA Part B	84.027A	28-17-B1-36	3,846,041	-
IDEA Preschool	84.173A	28-17-P1-36	21,228	-
Individuals with Disabilities Education Act				
High Cost Services Grant-Round 1	84.027A	28-17-RK-36	101,618	-
High Cost Services Grant-Round 2	84.027A	28-17-RK-36	6,370	-
Vocational Education				
Carl Perkins	84.048	28-17-02-36	18,225	30,915
Direct Funding				
PBIS Improvement Initiative	84.184G		194,375	38,342
Literacy for Life Project	84.215G		-	202,233
National Institute for Excellence in Teaching	84.374A		323,095	-
Total United States Department of Education			9,216,003	2,776,768
United States Department of Health and Human Services				
Passed through the Louisiana Department of Education				
Temporary Assistance for Needy Families (TANF) After School For All	93.558B	28-17-36-36	6,134	143,272
Total United States Department of Health and Human Services			6,134	143,272
McKinney-Vento Homeless	84.196A	28-17-H1-36	104,904	3,560
United States Department of Housing and Urban Development				
Passed through the Louisiana Office of Community Development				
Community Development Block Grant (CDBG)	14.228	-	27,491	-
Total United States Department of Housing and Urban Development			27,491	-
United States Department of Homeland Security				
Passed through the Louisiana Department of Education				
Disaster Grants - Public Assistance	97.036	-	15,782,929	-
Total United States Department of Homeland Security			15,782,929	-
Total Expenditures of Federal Awards			28,991,369	2,923,600
			\$	31,914,969

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Orleans Parish School Board and is presented on the modified accrual basis of accounting. Commodities received, which are non-cash revenue are valued at prices provided by the U.S. Department of Agriculture. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2. Reconciliation to the Basic Financial Statements

The expenditures listed in the accompanying schedule are reported in the following funds in either the governmental funds statement of revenues, expenditures and changes in fund balances (basic statement) or the non-major special revenue funds combining statement of revenues, expenditures and changes in fund balance, (supplementary information) of the Orleans Parish School Board's June 30, 2019 financial statements.

General Fund	\$ 99,241
Hurricane Katrina Restoration Fund	15,782,929
Capital Project Fund	500,000
Federal Grant Fund	12,095,616
State and Local Special Revenue Funds	102,608
Pass-Through Fund	2,923,600
Child Nutrition Fund	<u>410,975</u>
Financial Statement Total	<u>\$ 31,914,969</u>
Schedule of Expenditures of Federal Awards Total	<u>\$ 31,914,969</u>

Note 3. USDA Commodities

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received.

Note 4. De Minimis Cost Rate

The auditee uses an indirect cost rate negotiated and approved by the Louisiana Department of Education and the U.S. Department of Education and has elected not to use the 10% de minimis indirect cost rate as provided for in the section 200.414 of the Uniform Guidance.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section 1. Summary of Auditor Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified | Yes |
| b. Significant weaknesses identified | Yes |
| c. Noncompliance material to the financial statements noted | No |

Federal Awards

- | | |
|---|--------------|
| 1. Internal control over major programs | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified | No |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Audit findings disclosed that are required in accordance with Section 2 CFR 200.516(a) | No |
| 4. Identification of major programs | |
| • Title II, Part A – Elementary and Secondary Education Act | CFDA 84.367A |
| • Title I – Grants to Local Educational Agencies | CFDA 84.010 |
| • Individuals with Disabilities and Exceptionalities Act (IDEA), Part B | CFDA 84.027A |
| • National School Lunch Program | CFDA 10.555 |
| • FEMA Disaster Grants – Public Assistance (Presidentially Declared Disasters) | CFDA 97.036 |
| 5. Dollar threshold used to distinguish between Type A and B programs | \$957,449 |
| 6. Auditee qualified as a low-risk auditee? | Yes |

Section 2. Financial Statement Audit

Finding No. 2019-01 Inadequate Cash Reconciliation and Monitoring Procedures

Criteria:

Best practices for internal control environments require that bank accounts are reconciled to the general ledger on a monthly basis. Reconciliations should be reviewed and approved by management to provide assurance of effected implementation.

Condition:

During performance of cash and cash equivalents audit procedures, we noted that cash reconciliations were not being prepared and reviewed on a timely basis. In certain instances, bank reconciliations were not prepared for up to four (4) months after month-end closing. This delay in the preparation of the operating account reconciliation significantly increased the number of reconciling items and therefore the likelihood for the preparer to make errors during the reconciliation process.

Cause:

Staff turnover in the School Board accounting office appeared to contribute to the delays in preparation of bank reconciliations.

Effect:

The risk of detection of errors or irregularities related to bank account transactions were not reduced to an acceptable level.

Recommendation:

We recommend that management implement procedures that provide for timely bank reconciliations of all School Board bank accounts. Outside resources should be engaged where and if needed to maintain consistency in maintaining these control procedures.

Views of Responsible Officials:

Procedures have been implemented to reconcile all School Board bank accounts by the 15th of each month.

Finding No. 2019-02

Monitoring of Certain Control Procedures at Direct-Run Schools Were Not Adequate

Criteria:

The School Board is responsible for the implementation and monitoring of effective internal control procedures at direct-run schools. This includes monitoring of the internal control environment to determine that the controls remain in effect. The controls include adequate segregation of duties and record retention.

Condition:

We examined internal control procedures related to School Board direct-run schools and noted the following exceptions:

1. Supporting documentation was not available for examination at a School Board direct-run school for six (6) of the twelve (12) Student Activity fund account transactions selected for examination. Further examination indicated the proper documentation existed at the direct-run school and was reviewed by School Board staff. However, the documentation was not properly maintained on file.
2. One of the student activity fund bank accounts were managed by a single individual who had dual responsibilities for cash collections and bank deposits.

Cause:

This direct-run school was under consideration for transition to an independent charter management organization. Staffing levels at the school and the related monitoring by the School Board may have been contributing factors.

Effect:

Inadequate internal controls and monitoring at direct-run schools does not mitigate the risk that material errors or irregularities will be detected and reported to management on a timely basis.

Recommendation:

We recommend that School Board management enhance monitoring procedures related to internal controls in effect at direct-run schools and charter schools under its direct control.

Views of Responsible Officials:

The School Board will ensure that the principal of each school understands the importance of maintaining school records in accordance with the School Board's records retention policy. The School Board will require proper segregation of duties in all direct run schools.

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

Section 3. Findings – Major Federal Award Programs

There no findings related to major federal award programs.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

2018-01 -General Ledger Reconciliations

Condition: In performing this year's audit, we noted the following: (1) Difficulty In obtaining reports from the MUNIS accounting system to perform audit testing. Including accounts receivable aging schedules, accounts payable aging schedules, and capital assets detail ledger; (2) Errors noted in certain account balances/activity which required adjusting entries to correct; (3) Activity was not recorded through year end in certain general ledger accounts. Including fixed assets and AR-RSD, Including Fixed Assets and Long-Term Accounts Receivable - RSD, resulting in material adjusting entries to correct.

Status: Resolved.

ORLEANS PARISH SCHOOL BOARD

SUMMARY OF CHARTER SCHOOL FINDINGS

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

June 30, 2019

Section I. Summary of Auditor's Results

Financial Statement Section

1. Type of auditor's report	Unmodified
2. Internal control over financial reporting and compliance and other matters	
a. Material weaknesses identified	Yes
b. Significant deficiencies identified not considered to be material weaknesses	None reported
c. Noncompliance noted	No

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

2019-001 Material Weakness: Internal Control Over Financial Reporting

Criteria: Adequate internal controls over the preparation of financial statements in accordance with U.S. GAAP ASC 958-810-25 which requires consolidation of related entities with common control.

Condition: In 2019 it was discovered that Friends of Warren Easton should have been consolidated with Warren Easton High School Foundation, Inc, and that Friends of Warren Easton had balances material to the School's financial statements.

Cause: The detailed review of the financial statements at year end did not include adequate review of affiliate financial items.

Effect: The School's financial statements as of June 30, 2018 did not include material balances of an affiliated entity that should have been consolidated.

Recommendation: It is recommended that the School perform detailed reviews of all financial statements at year end including any affiliates.

Section III. Compliance and Other Matters

None.

HYNES CHARTER SCHOOL CORPORATION

Section I. Summary of Audit Results

Financial Statement Section

- | | |
|---|---------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| c. Noncompliance noted | No |

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

CITIZEN'S COMMITTEE FOR EDUCATION
dba HOMER A. PLESSY COMMUNITY SCHOOL
June 30, 2019

Section I. Summary of Audit Results

Financial Statement Section

- | | |
|---|---------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| c. Noncompliance noted | No |

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

ELAN ACADEMY CHARTER SCHOOL

Section I. Summary of Audit Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters	
a) Material weaknesses identified	No
b) Significant deficiencies identified not considered to be material weaknesses	None
Reported	
c) Noncompliance noted	No

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

ROOTED SCHOOL
June 30, 2019

Section I. Summary of Audit Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters	
a) Material weaknesses identified	No
b) Significant deficiencies identified not considered to be material weaknesses	None
Reported	
c) Noncompliance noted	No

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

FOUNDATION PREPARATORY, INC.

Section I. Summary of Audit Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters	
a) Material weaknesses identified	No
b) Significant deficiencies identified not considered to be material weaknesses	None
Reported	
c) Noncompliance noted	No

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

LEGACY OF EXCELLENCE, INC.

Section I. Summary of Audit Results

Financial Statement Section

- | | |
|---|---------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| c. Noncompliance noted | No |

Federal Awards

Not applicable.

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

SIGNIFICANT EDUCATORS
dba Mary McLeod Bethune Elementary Charter School

Section I. Summary of Audit Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters	
a) Material weaknesses identified	No
b) Significant deficiencies identified not considered to be material weaknesses	None
Reported	
c) Noncompliance noted	No

Federal Awards

Internal Control

Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of opinion on Compliance for Major Programs	Unmodified
Are there findings required to be reported in accordance with the Uniform Guidance	No

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.



Luther Speight & Company
Certified Public Accountants and Consultants

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Orleans Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Orleans Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Orleans Parish School Board for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of the Orleans Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

Results: No discrepancies noted.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1 roll books for those classes and observed that the class was properly classified on the schedule.

Results: No discrepancies noted.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Results: No discrepancies noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

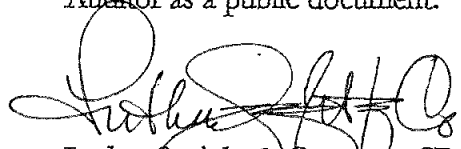
4. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Results: Of the sample of 25 individuals, we noted 3 of the individuals' salaries on the PEP data did not match their personnel file.

Management's Response: *Management will make every effort to ensure that the information in each employee's personnel file will match the PEP information reported to the Department of Education.*

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of Smothers Academy, Inc., as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Luther Speight & Company CPAs
New Orleans, Louisiana
December 18, 2019

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

**ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 General Fund Instructional and Support Expenditures and
 Certain Local Revenue Sources
 For the Year Ended June 30, 2019**

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 2,519,105	
Other Instructional Staff Activities	666,540	
Instructional Staff Employee Benefits	2,252,585	
Purchased Professional and Technical Services	386,463	
Instructional Materials and Supplies	457,794	
Instructional Equipment	<u>1,800</u>	
Total Teacher and Student Interaction Activities		\$ 6,284,286

Other Instructional Activities 2,000,000

Pupil Support Activities	5,305,665	
Less: Equipment for Pupil Support Activities	<u>38,356</u>	
Net Pupil Support Activities		5,267,309

Instructional Staff Services	1,538,513	
Less: Equipment for Instructional Staff Services	<u>(3,123)</u>	
Net Instructional Staff Services		1,535,390

School Administration	1,370,460	
Less: Equipment for School Administration	<u>788</u>	
Net School Administration		<u>1,371,248</u>

Total General Fund Instructional Expenditures \$ 16,458,233

Total General Fund Equipment Expenditures \$ 8,250,660

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	111,270,009	
Renewable Ad Valorem Tax	51,067,502	
Debt Service Ad Valorem Tax	9,054,522	
Facilities Preservation Act Ad Valorem Tax	10,945,911	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	(8,827,055)	
Sales and Use Taxes	124,868,321	
Debt Service Sales and Use Tax	11,722,888	
Facilities Preservation Sales and Use Tax	<u>11,415,296</u>	
Total Local Taxation Revenue		<u>\$ 321,517,394</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	<u>63</u>	
Total Local Earnings on Investment in Real Property		<u>\$ 63</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	<u>2,839,631</u>	
Total State Revenue in Lieu of Taxes		<u>\$ 2,839,631</u>

Nonpublic Textbook Revenue \$ 454,584

See independent accountant's report on applying agreed-upon procedures.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Class Size Characteristics
As of June 30, 2019

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	32%	284	42%	365	26%	225	0%	-
Elementary Activity Classes	32%	42	36%	47	27%	35	5%	6
Middle/Jr. High	0%	-	0%	-	0%	-	0%	-
Middle/Jr. High Activity Classes	0%	-	0%	-	0%	-	0%	-
High	58%	403	30%	205	12%	80	0%	3
High Activity Classes	71%	76	15%	16	13%	14	1%	1
Combination	82%	37	2%	1	9%	4	7%	3
Combination Activity Classes	0%	-	0%	-	100%	1	0%	-

See independent accountant's report on applying agreed-upon procedures.

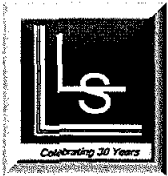
Orleans Parish School Board
Schedules Required by State Law
(R.S. 24:514 – Performance and Statistical Data
As of and for the Year Ended June 30, 2019

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 (Formerly Schedule 6) Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.



Luther Speight & Company
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Orleans Parish School Board
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Orleans Parish School Board and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: *The policies and procedures appear to appropriately address the required elements above.*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: *The policies and procedures appear to appropriately address the required elements above.*

- c) *Disbursements*, including processing, reviewing, and approving.

Results: The policies and procedures appear to appropriately address the required elements above.

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The policies and procedures appear to appropriately address the required elements above.

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: The policies and procedures appear to appropriately address the required elements above.

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: The policies and procedures appear to appropriately address the required elements above, except for legal review of contracts.

Management's Response: While this was not in written form, the OPSB does have a policy that it follows.

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: The policies and procedures appear to appropriately address the required elements above.

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: The policies and procedures appear to appropriately address the required elements above.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: The policies and procedures appear to appropriately address the required elements above.

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies and procedures appear to appropriately address the required elements above.

- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The policies and procedures appear to appropriately address the required elements above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: The School Board met with a quorum monthly.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Results: The minutes reference budget-to-actual comparisons for the General Fund for three of the ten Budget and Finance Committee meetings provided. The minutes do not reference budget-to-actual comparisons for the other major funds.

Management's Response: Finance staff will start preparing monthly budget-to-actual reports for major special revenue funds and major proprietary funds starting in February 2020.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results: The prior year audit report for the School Board reflected a \$62.9 positive fund balance.

Bank Reconciliations

3. The Bank Reconciliation section is considered not applicable for the year ended June 30, 2019 due to there being no findings in the prior year.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Listing obtained from management with representation that it is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Results: We noted OPSB has no cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Results: The AP Specialist receives all cash and checks payable to OPSB, then completes deposits. She provides bank receipt and deposit packet to the Controller who prepares and reviews the entry for the deposit which is posted by the Senior Accountant. The Senior Accountant then performs bank reconciliation process and is reviewed by the Controller.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Results: See answer 5b above.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: See answer 5b above.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: We inquired with management and verified the OPSB has a theft insurance policy to cover losses due to crime up to \$1 million.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: We observed that deposits were Remote Online Deposits or ETFs, so there was no deposit slip.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: See note 7a.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: We traced the system reported ETF deposit to the bank statement with no exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Results: We observed the receipts to the General Fund were within one business day of deposit.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: We traced the deposit to the General Ledger with no exceptions noted.

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

8. The Non-Payroll Disbursements section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior two years.

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

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

Results: Listing obtained from management with representation that it is complete.

10. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawtson Act municipality); these instances should not be reported.]]

Results: We examined 5 credit card statements and noted 2 instances where no approval signature accompanied the statements.

Management's Response: In January 2020 the Orleans Parish School Board is beginning a different purchase card program which includes, among other controls, that each cardholder prepare his or her own log of purchase card activity for the month, attach receipts, sign the log verifying that the expenditures were School Board expenditures, and requiring the signature of the cardholder's supervisor.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: We found instances 2 instances out of 5 tested where interest charges or late fees were assessed on the credit card statements.

Management's Response: New accounts payable processes have been put in place that include a combination of daily, weekly, and monthly reporting to ensure that all invoices are paid by their due dates.

11. Using the monthly statements or combined statements selected under #10 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing).

For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Of the 25 transactions tested, we noted 4 transactions that included no written or otherwise stated business purpose. Additionally, of the 25 transactions tested, there was 1 instance where a receipt was the only support provided for the meal charge, with no information on the attendees.

Management's Response: The new purchase card program requires that the business purpose (or program) be stated on the monthly purchase card log. A senior accountant will review all monthly purchase card documents to ensure compliance and obtain any missing information, such as attendees at meals.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

12. The Travel section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior year.

Contracts

13. The Contracts section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior two years.

Payroll and Personnel

14. The Payroll and Personnel section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior two years.

Ethics

15. The Ethics section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior two years.

Debt Service

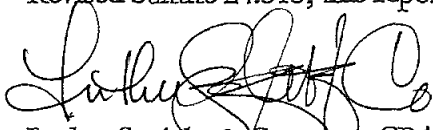
16. The Debt Service section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior two years.

Other

17. The Other section is not applicable to the year ended June 30, 2019 due to there being no findings in the prior two years.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Luther Speight & Company CPAs
New Orleans, Louisiana
December 18, 2019