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A Professional Accounting Corporation

September 1, 2022

Local Government Services
Louisiana Legislative Auditor
Baton Rouge, Louisiana

To Whom it May Concern:

The financial reporting package for the Orleans Parish School Board for the year ended June 30, 2021, is being reissued for a correction on the Schedule of Findings and Questioned Costs (pdf page 116, page 112) for the incorrect amount being reported as the dollar threshold used in distinguishing between Type A and Type B programs under Uniform Guidance. The original report showed this total as \$750,000. However, the actual threshold used was \$797,586. This was the only revision from the previously issued financial statements.

Sincerely,

A handwritten signature in black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Postlethwaite & Netterville



ORLEANS PARISH SCHOOL BOARD

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2021

ORLEANS PARISH SCHOOL BOARD

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2021

Orleans Parish School Board
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Independent Auditors' Report

Board Members
Orleans Parish School Board
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, 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, 2021, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board, as of June 30, 2021, 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, the Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios, the Schedule of the School Board's Proportionate Share of the Net Pension Liability for the Retirement Systems, the Schedule of Employer Contributions to the Retirement Systems, the Budgetary Comparison Schedules – Major Governmental Funds, and the related notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Orleans Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, including the combining and individual non-major fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits, and other payments to the superintendent, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not a required part of the basic financial statements.



The accompanying supplementary information and the schedule of expenditures of federal awards and related notes, 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 accompanying supplementary information and the schedule of expenditure of federal awards and related notes, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2022, 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.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Baton Rouge, Louisiana
March 31, 2022

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

The Management's Discussion and Analysis of the Orleans Parish School Board's financial performance presents a narrative overview and analysis of the Orleans Parish School Board's financial activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

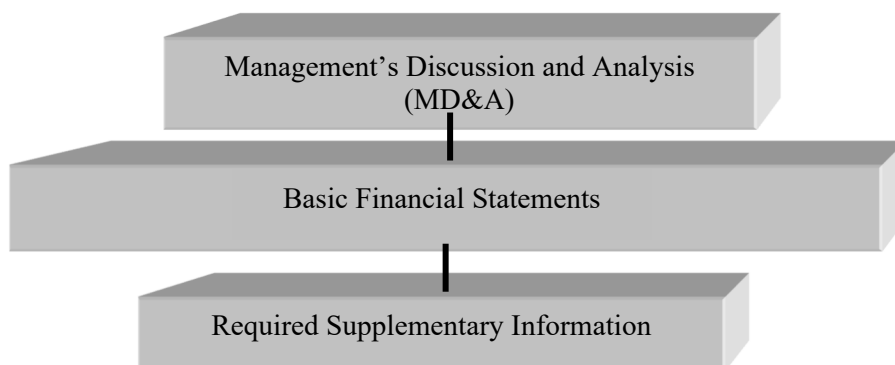
FINANCIAL HIGHLIGHTS

- The net position for governmental activities as of June 30, 2020 has been restated for previously reported capital assets related to certain investments in loans to tax credit entities which should not have been recorded until the tax credit entity was unwound. Governmental activities net position as of June 30, 2020 was decreased by \$240.4 million. See additional discussion regarding these adjustments in Note 17 to the financial statements.
- As of June 30, 2021, the Orleans Parish School Board reported a consolidated net position of \$1.70 billion, which is an increase of \$42 million (2.5%) from the restated June 30, 2020 balance of \$1.66 billion.
- As of June 30, 2021, the Orleans Parish School Board reported a General Fund, fund balance of \$51.9 million. This represents an increase of \$3.8 million (7.9%) from the June 30, 2020 balance of \$48 million.
- Ad valorem tax revenues totaled \$188.7 million, which represents a decrease of \$0.5 million (0.3%) from the prior year.
- Sales tax revenues totaled \$123.1 million, a decrease of \$8.9 million (6.7%) from the prior year due to the continuation of the COVID-19 pandemic.
- Minimum Foundation Program (MFP) funding from the state of Louisiana, an unrestricted block grant determined by a complex four-tiered formula, totaled \$201.3 million, a decrease of \$8.7 million (4.1%) from the prior year.
- Principal payment on General Obligation bonds totaled \$9.7 million. The Orleans Parish School Board contributed \$11.3 million to the Qualified School Construction Bond (QSCB) sinking fund, as required. Interest payments for both bonds totaled \$444,000. All bonds were paid off during the fiscal year.
- As of June 30, 2021, the Orleans Parish School Board reported total long-term debt of \$82.7 million, comprised of (1) other postemployment benefit obligations totaling \$5.7 million; (2) net pension liability of \$35.9 million; (3) compensated absences of \$1.5 million; and (4) claims payable totaling \$39.6 million.
- As of June 30, 2021, the Orleans Parish School Board had net capital assets (book value less accumulated depreciation) of \$1.51 billion.
- Expenditures for capital assets totaled \$17.3 million in the fiscal year ended June 30, 2021. A total of \$58.4 million was recognized as donated assets from the Recovery School District for ongoing construction projects and from unwinding a tax credit entity.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for special purpose governments engaged in governmental activities established by Governmental Accounting Standards Board Codification Section 2200.102.



These financial statements consist of four sections: (1) Management's Discussion and Analysis (this section), (2) the basic financial statements, including the notes to the financial statements, (3) required supplementary information, and (4) an optional section that presents combining statements for nonmajor governmental funds.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Orleans Parish School Board's finances in a manner similar to private-sector for-profit businesses.

The Statement of Net Position presents information on all of the Orleans Parish School Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Orleans Parish School Board is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. (e.g., uncollected taxes).

Both of the government-wide financial statements present activities of the Orleans Parish School Board that are principally supported by taxes and intergovernmental revenues (governmental activities) as well as business-type activities, which are business-like in nature and primarily supported by user fees and charges for services. The governmental activities of the Orleans Parish School Board include 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's business-type activities include leasing office space and tax credit financing activities.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The Orleans Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Orleans Parish School Board can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Orleans Parish School Board's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Orleans Parish School Board maintains dozens of individual governmental funds.

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund and four other major funds.

The remaining governmental funds are combined into a single, aggregated presentation under the label of Other Nonmajor Governmental funds, which contains all nonmajor funds. Individual fund data for each of these nonmajor funds is provided in the form of combining statements in the Supplementary Information section of this report.

The Orleans Parish School Board adopts annual appropriated budgets for the general fund and all special revenue funds. Annual operating budgets are not adopted for capital projects funds or debt service funds. As such, a budget to actual comparison schedule was not prepared for the capital projects and debt service funds.

Proprietary funds - Services for which the Orleans Parish School Board charges a fee are reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

The Orleans Parish School Board uses internal service funds to report its self-insured employee and retiree health care activities and workers' compensation and uses enterprise funds to report its business-type activities.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of outside parties; the Orleans Parish School Board has one fiduciary fund, a custodial fund.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

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

FINANCIAL ANALYSIS: STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020 Restated</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020 Restated</u>
Cash, investments, and other assets	\$ 166,576,122	\$ 179,379,047	\$ 115,899,872	\$ 123,290,361	\$ 282,475,994	\$ 302,669,408
Capital assets	1,510,747,651	1,477,691,557	6,222,749	6,386,047	1,516,970,400	1,484,077,604
Total assets	<u>1,677,323,773</u>	<u>1,657,070,604</u>	<u>122,122,621</u>	<u>129,676,408</u>	<u>1,799,446,394</u>	<u>1,786,747,012</u>
Deferred Outflows of resources	12,820,423	12,088,462	-	-	12,820,423	12,088,462
Other liabilities	10,610,568	17,971,504	677,666	322,884	11,288,234	18,294,388
Long-term liabilities	82,648,076	105,154,012	47,786	-	82,695,862	105,154,012
Total liabilities	<u>93,258,644</u>	<u>123,125,516</u>	<u>725,452</u>	<u>322,884</u>	<u>93,984,096</u>	<u>123,448,400</u>
Deferred Inflows of resources	18,818,240	18,079,805	-	-	18,818,240	18,079,805
Net position:						
Net investment in capital assets	1,510,747,651	1,456,530,603	6,222,749	6,386,047	1,516,970,400	1,462,916,650
Restricted	93,590,603	101,029,192	116,591,868	122,997,901	210,182,471	224,027,093
Unrestricted	(26,270,942)	(29,606,050)	(1,417,448)	(30,424)	(27,688,390)	(29,636,474)
Total net position	<u>\$ 1,578,067,312</u>	<u>\$ 1,527,953,745</u>	<u>\$ 121,397,169</u>	<u>\$ 129,353,524</u>	<u>\$1,699,464,481</u>	<u>\$1,657,307,269</u>

The beginning net position of the Orleans Parish School Board's governmental activities has been adjusted to reflect the removal of six school facilities related to the OSFF tax credit receivable. See Note 17 for additional information.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

FINANCIAL ANALYSIS: STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2021	2020 Restated	2021	2020	2021	2020 Restated
Revenues:						
Program revenues						
Charges for services	\$ 17,086,320	\$ 17,467,824	\$ 1,689,469	\$ 14,777,729	\$ 18,775,789	\$ 32,245,553
Operating grants and contributions	21,629,597	17,932,286	-	-	21,629,597	17,932,286
Capital grants and contributions	4,641,168	6,101,347	-	-	4,641,168	6,101,347
General Revenues						
Ad valorem taxes	188,665,429	189,200,387	-	-	188,665,429	189,200,387
Sales taxes	123,061,042	131,673,070	-	-	123,061,042	131,673,070
State revenue sharing program	2,643,438	2,646,336	-	-	2,643,438	2,646,336
Minimum Foundation Program	201,303,179	209,983,887	-	-	201,303,179	209,983,887
Interest and Investment Earnings	1,819,606	1,908,630	2,239,491	2,861,526	4,059,097	4,770,156
Unallocated grants and contributions	16,315,809	1,027,932	-	-	16,315,809	1,027,932
Other general revenues	61,004,875	52,478,401	-	-	61,004,875	52,478,401
Total revenues	638,170,463	630,420,100	3,928,960	17,639,255	642,099,423	648,059,355
Functions/Program Expenses:						
Instruction						
Regular programs	5,992,115	6,957,432	-	-	5,992,115	6,957,432
Special education	2,416,751	3,046,154	-	-	2,416,751	3,046,154
Other instructional	2,601,633	2,943,484	-	-	2,601,633	2,943,484
Support services						
Student services	6,614,899	6,808,006	-	-	6,614,899	6,808,006
Instructional staff support	2,282,571	2,034,419	-	-	2,282,571	2,034,419
General administration	21,571,590	9,814,171	-	-	21,571,590	9,814,171
School administration	3,274,962	1,549,943	-	-	3,274,962	1,549,943
Business services	3,509,967	2,337,804	-	-	3,509,967	2,337,804
Plant services	13,220,278	12,734,613	-	-	13,220,278	12,734,613
Student transportation services	960	1,600	-	-	960	1,600
Central services	2,780,307	2,241,436	-	-	2,780,307	2,241,436
Food services	3,250,969	4,181,570	-	-	3,250,969	4,181,570
Community service programs	-	366,226	-	-	-	366,226
Interest and fiscal charges	29,365	3,192,031	-	-	29,365	3,192,031
Appropriations - Charter Schools	520,510,526	538,208,778	-	-	520,510,526	538,208,778
Enterprise operations	-	-	11,885,315	29,218,204	11,885,315	29,218,204
Total expenses	588,056,893	596,417,667	11,885,315	29,218,204	599,942,208	625,635,871
Increase (decrease) in net position	50,113,570	34,002,433	(7,956,355)	(11,578,949)	42,157,215	22,423,484
Net Position - beginning	1,527,953,742	1,493,951,309	129,353,524	140,932,473	1,657,307,266	1,634,883,782
Net Position - ending	\$ 1,578,067,312	\$ 1,527,953,742	\$ 121,397,169	\$ 129,353,524	\$ 1,699,464,481	\$ 1,657,307,266

Ad valorem tax revenues totaled \$188.7 million, which represents an decrease of \$0.5 million (0.3%) from the prior year. Sales tax revenues totaled \$123.1 million, a decrease of \$8.9 million (6.7%) from the prior year due to the continuation of the COVID-19 pandemic. Minimum Foundation Program (MFP) funding from the state of Louisiana, an unrestricted block grant determined by a complex four-tiered formula, totaled \$201.3 million, a decrease of \$8.7 million (4.1%) from the prior year. General administrative expenses increased by \$11.7 million to \$21.6 million principally due to changes in estimates of future claims expense.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

FINANCIAL ANALYSIS: STATEMENT OF ACTIVITIES (continued)

Appropriations to charter schools decreased by \$17.7 (3.3%) million to \$520.5 million, which primarily related to the aforementioned decreases in sales tax revenue of \$8.9 million and MFP funding of \$8.7 million, both of which are passed thru to the charters.

Principal payments on General Obligation bonds totaled \$9.7 million. The Orleans Parish School Board contributed \$11.3 million to the Qualified School Construction Bond (QSCB) sinking fund, as required. Interest payments for both bonds totaled \$444,248. Expenditures for capital assets totaled \$17.3 million in the fiscal year ended June 30, 2021. A total of \$36.7 million was recognized as donated assets from the Recovery School District for ongoing construction projects. In October 2020, the parties to the New Market Tax Credit Financing unwound the financing structures resulting in McDonogh 42 Elementary School being returned to the School Board free and clear, which was recognized as a contribution in the amount of \$21.7 million.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

ANALYSIS OF BUDGET VARIATIONS – GENERAL FUND

In the general fund, actual revenues exceeded budgeted revenues by \$7.8 million (20.8%) and actual expenditures exceeded budgeted expenditures by \$1.0 million (1.8%), exclusive of operating transfers in and out, as shown in the following schedule:

General Fund Budgetary Comparison				
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local sources	\$ 28,448,857	\$ 28,448,857	\$ 23,504,078	(4,944,779)
State sources	8,876,697	8,876,697	7,406,411	(1,470,286)
Federal sources	-	-	14,178,212	14,178,212
Total revenues	<u>37,325,554</u>	<u>37,325,554</u>	<u>45,088,701</u>	<u>7,763,147</u>
Expenditures				
Instruction	7,789,896	7,789,896	7,793,180	(3,284)
Support services	35,284,919	35,284,919	32,990,521	2,294,398
Food services	-	-	28,442	(28,442)
Community service programs	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service	50,000	50,000	-	50,000
Appropriations - Charter Schools	-	-	1,553,479	(1,553,479)
Other	-	-	93	(93)
Total expenses	<u>43,124,815</u>	<u>43,124,815</u>	<u>42,365,715</u>	<u>759,100</u>
Excess (deficit) of revenues over (under) expenditures	(5,799,261)	(5,799,261)	2,722,986	8,522,247
Other financing sources (uses)				
Transfers in	6,734,419	6,734,419	8,328,269	1,593,850
Transfers out	-	-	(7,230,867)	(7,230,867)
Insurance recoveries	-	-	22,339	22,339
Total other financing sources (uses)	<u>6,734,419</u>	<u>6,734,419</u>	<u>1,119,741</u>	<u>(5,614,678)</u>
Net change in fund balance	935,158	935,158	3,842,727	2,907,569
Net Position - beginning - as restated	<u>50,133,501</u>	<u>50,133,501</u>	<u>48,049,353</u>	<u>(2,084,148)</u>
Net Position - ending	<u>\$ 51,068,659</u>	<u>\$ 51,068,659</u>	<u>\$ 51,892,080</u>	<u>823,421</u>

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021 the Orleans Parish School Board had \$1.5 billion (net of accumulated depreciation) invested in a broad range of capital assets, including land, buildings and improvements, and furniture and equipment. This amount represents an increase (including additions and deletions) of \$32.7 million over last year, primarily for buildings.

	Governmental Activities		Business-type Activities		Total	
	2021	2020 Restated	2021	2020	2021	2020 Restated
Land	\$ 39,837,373	\$ 39,837,373	\$ 1,440,992	\$ 1,440,992	\$ 41,278,365	\$ 41,278,365
Construction in progress	59,603,144	220,015,890	-	-	59,603,144	220,015,890
Buildings and improvements	1,410,965,362	1,217,094,321	4,781,757	4,945,055	1,415,747,119	1,222,039,376
Furniture and equipment	341,772	743,973	-	-	341,772	743,973
Totals	\$ 1,510,747,651	\$ 1,477,691,557	\$ 6,222,749	\$ 6,386,047	\$ 1,516,970,400	\$ 1,484,077,604

During the fiscal year ended June 30, 2021, the Orleans Parish School Board had the following projects either in progress or completed during the year:

<u>Facility</u>	<u>Description of Project</u>	<u>Project Amount</u>
Edna Karr HS	Facility Renovations	\$53,343,363
New Orleans Science and Math	Facility Renovations	32,621,842
Thurgood Marshall HS	Facility Renovations	11,359,069
McMain HS	Building Repairs	7,596,089
Hynes	Facility Renovations	4,797,461
Samuel Green	Facility Renovations	1,612,053
Moton (Kenilworth)	Facility Renovations	1,429,948
Audubon Charter	Facility Renovations	1,346,088
Samuel Green	Facility Renovations	563,246
Marquis De Lafayette ES	Facility Renovations	19,429,531
Martin Behrman ES	Facility Renovations	10,111,891
Kerelec CTE	Facility Renovations	9,411,507
New Cohen HS	Facility Renovations	7,737,609
Rosenwald	Refurbishment and Major Repairs	3,291,242
Douglass	Refurbishment and Major Repairs	1,396,923
Warren Easton	Refurbishment and Major Repairs	1,298,450
Sylvanie Williams	Refurbishment and Major Repairs	967,439

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

During the fiscal year ended June 30, 2020, the Orleans Parish School Board had the following projects either in progress or completed during the year:

<u>Facility</u>	<u>Description of Project</u>	<u>Project Amount</u>
Sylvanie Williams	Removal of wall partition and install permanent wall	\$ 124,486
McMain HS	Building Envelope - Historic Preservation	5,148,000
Hynes	Compressor Replacement	69,270
Crossman	Structural Repairs to Exterior wall	102,700
McMain	Chiller Compressor Replacement	56,849
Ben Franklin - Jefferson	Phase I and II Historic Preservation	8,169,753
Lusher HS	Add more HVAC to three (3) areas	56,780
Douglass	Chiller Replacement	130,500
Douglass	Roof Top Chiller Repairs	47,980
Warren Easton	Roof Repair/Replacement - Phase 1	120,969
Moton (Kenilworth)	Compressor Replacement - Trane Chiller	97,960
Warren Easton	Repair of 301	96,000
Hynes	Phase I and II Renovation	677,122
Ben Franklin HS	Grease Trap	15,700
Ben Franklin HS	Gym Heater Replacement	63,980

Long-term Debt

Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*, was issued in June 2012 and relates to how pension costs and obligations are measured and reported in audited external financial reports. Participants in multiple-employer cost-sharing defined-benefit pension plans, such as the Orleans Parish School Board, are required to record their proportionate share of the total unfunded accrued liability of each pension in which their employees participate on their government-wide financial statements, which totaled approximately \$35.8 million as of June 30, 2021. More detailed defined benefit pension plan information is available in Note 10.

Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued in June 2015 and requires governments to recognize a net other postemployment benefits liability that is actuarially determined using prescribed methods and based on plan assumptions. This liability totaled approximately \$5.2 million as of June 30, 2021. More detailed other postemployment benefit information is available in Note 11.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economic viability of the Orleans Parish School Board is tied in large measure to the state funding formula (Minimum Foundation Program) and the sales and property tax base. The Orleans Parish School Board considered the following factors and indicators when setting their 2021-2022 general fund budget:

- MFP revenues from the state were expected to increase by \$8.6 million due to a recovery in enrollment.
- Sales tax revenues were budgeted to decrease by 18% from 2020-2021 due to uncertainties related to tourism due to the social distancing required by the Governor of Louisiana and Mayor of New Orleans in an effort to reduce the spread of the coronavirus, which was declared a worldwide pandemic on March 11, 2020.
- Ad valorem revenues were budgeted to increase due to the 5.5% increase in taxable assessed value of property and rolling forward the millage rates.
- ESSER Funds are projected to increase by \$25.1 million to \$30.1 million based on increased funding from the Louisiana Department of Education allocation of funds from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, the Elementary and Secondary School Emergency Relief Fund (ESSER Fund).

On August 29, 2021, the Orleans Parish School Board and its facilities were impacted by Hurricane Ida. Management estimates damages to be approximately \$15 million. In August 2021, the Board appropriated an amount not to exceed \$15 million to procure a contractor to make these repairs. However, the extent of the damages is unknown as building assessments are ongoing. All properties are insured, and the policy deductible maximum is \$12.5 million. However, the effective lease agreements with the charter operators establishes that they are responsible for the deductible for each school they operate, and the School Board is only responsible for vacant properties and its main offices which limits its financial exposure. In addition, the Federal government has declared that a major disaster exists in the State of Louisiana and ordered federal aid to supplement state and local recovery efforts. With this signed FEMA declaration any uncovered expenses for the first 30 days are 100% reimbursable and the School Board will be making claims for these costs.

ORLEANS PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2021

CONTACTING THE ORLEANS PARISH SCHOOL BOARD

This financial report is designed to provide a general overview of the Orleans Parish School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to

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New Orleans, Louisiana 70114
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Both audit reports and budgets from the 2014-2015 fiscal year until present are available in the District Financials section of the website, nolapublicschools.com.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	Statement A TOTAL
ASSETS			
Cash and cash equivalents	\$ 10,733,149	\$ 25,091,978	\$ 35,825,127
Equity in pooled assets	101,185,000	1,292,039	102,477,039
Receivables	50,773,549	1,679,941	52,453,490
Inventories	49,754	-	49,754
Prepaid items	430,764	-	430,764
Internal balances	3,403,906	(3,403,906)	-
Loans receivable	-	91,239,820	91,239,820
Capital Assets			
Land	39,837,373	1,440,992	41,278,365
Construction in progress	59,603,144	-	59,603,144
Capital assets, net of accumulated depreciation	1,411,307,134	4,781,757	1,416,088,891
TOTAL ASSETS	1,677,323,773	122,122,621	1,799,446,394
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension contributions	4,985,973	-	4,985,973
Deferred amounts related to net pension liability	7,025,323	-	7,025,323
Deferred amounts related to total other post-employment benefit liability	809,127	-	809,127
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,820,423	-	12,820,423
LIABILITIES			
Accounts, salaries and other payables	10,335,998	677,666	11,013,664
Retainage payable	183,263	-	183,263
Unearned revenues	91,307	-	91,307
Long-term liabilities			
Due within one year:			
Compensated absences, and claims liabilities	1,684,210	47,786	1,731,996
Total other post-employment benefit liability	459,205	-	459,205
Due in more than one year:			
Compensated absences, and claims liabilities	39,368,959	-	39,368,959
Net pension liability	35,848,710	-	35,848,710
Total other post-employment benefit liability	5,286,992	-	5,286,992
TOTAL LIABILITIES	93,258,644	725,452	93,984,096
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to net pension liability	18,014,594	-	18,014,594
Deferred amounts related to total other post-employment benefit liability	803,646	-	803,646
TOTAL DEFERRED INFLOWS OF RESOURCES	18,818,240	-	18,818,240
NET POSITION			
Net investment in capital assets	1,510,747,651	6,222,749	1,516,970,400
Restricted for:			
Capital projects	82,212,178	116,591,868	198,804,046
Grant and donor	11,378,425	-	11,378,425
Unrestricted (deficit)	(26,270,942)	(1,417,448)	(27,688,390)
TOTAL NET POSITION	\$ 1,578,067,312	\$ 121,397,169	\$ 1,699,464,481

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Statement B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular programs	\$ 5,992,115	\$ -	\$ 741,753	\$ -	\$ (5,250,362)	\$ -	\$ (5,250,362)
Special education	2,416,751	-	769,791	-	(1,646,960)	-	(1,646,960)
Other instructional programs	2,601,633	-	-	-	(2,601,633)	-	(2,601,633)
Special programs	-	-	21,768	-	21,768	-	21,768
Support Services:							
Student services	6,614,899	-	2,380,467	-	(4,234,432)	-	(4,234,432)
Instructional staff services	2,282,571	-	346,358	-	(1,936,213)	-	(1,936,213)
General administration services	21,571,590	-	-	-	(21,571,590)	-	(21,571,590)
School administration services	3,274,962	-	-	-	(3,274,962)	-	(3,274,962)
Business services	3,509,967	-	-	-	(3,509,967)	-	(3,509,967)
Plant services	13,220,278	-	-	4,641,168	(8,579,110)	-	(8,579,110)
Student transportation services	960	-	-	-	(960)	-	(960)
Central services	2,780,307	-	-	-	(2,780,307)	-	(2,780,307)
Food Service	3,250,969	-	3,341,713	-	90,744	-	90,744
Appropriations - Charter Schools:							
Type II	11,821,380	-	-	-	(11,821,380)	-	(11,821,380)
Type III	508,689,146	17,086,320	14,027,747	-	(477,575,079)	-	(477,575,079)
Interest and fiscal charges	29,365	-	-	-	(29,365)	-	(29,365)
Total Governmental Activities	588,056,893	17,086,320	21,629,597	4,641,168	(544,699,808)	-	(544,699,808)
BUSINESS-TYPE ACTIVITIES:							
Enterprise operations	11,885,315	1,689,469	-	-	-	(10,195,846)	(10,195,846)
Total Business-type Activities	11,885,315	1,689,469	-	-	-	(10,195,846)	(10,195,846)
Total Primary Government	\$ 599,942,208	\$ 18,775,789	\$ 21,629,597	\$ 4,641,168	(544,699,808)	(10,195,846)	(554,895,654)
General revenues:							
Taxes:							
Property taxes					188,665,429	-	188,665,429
Sales taxes					123,061,042	-	123,061,042
State revenue sharing program					2,643,438	-	2,643,438
Grants and contributions not restricted to specific programs:							
Minimum Foundation Program					201,303,179	-	201,303,179
Interest and investment earnings					1,819,606	2,239,491	4,059,097
Unallocated grants and contributions					16,315,809	-	16,315,809
Capital asset contributions and tax credits					61,004,875	-	61,004,875
Total General revenues					594,813,378	2,239,491	597,052,869
Change in net position					50,113,570	(7,956,355)	42,157,215
Net position - beginning, as restated					1,527,953,742	129,353,524	1,657,307,266
Net position - ending					\$ 1,578,067,312	\$ 121,397,169	\$ 1,699,464,481

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

Statement C

	Special Revenue Funds			Capital Projects Funds			Total
	General	Pass-Through Fund	ESSA	Hurricane Katrina Restoration	Facilities Preservation	Non-major Governmental	
ASSETS							
Cash and cash equivalents	\$ 5,027,789	\$ -	\$ -	\$ -	\$ -	\$ 2,481,155	\$ 7,508,944
Equity in pooled assets	-	-	-	-	66,556,206	31,130,996	97,687,202
Receivables	7,384,760	30,558,059	2,355,008	4,516,802	168,293	5,758,438	50,741,360
Interfund receivables	53,344,807	-	-	-	2,249,229	-	55,594,036
Inventories	-	-	-	-	-	49,754	49,754
Prepaid items	79,764	-	-	-	-	51,000	130,764
TOTAL ASSETS	\$ 65,837,120	\$ 30,558,059	\$ 2,355,008	\$ 4,516,802	\$ 68,973,728	\$ 39,471,343	\$ 211,712,060
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payables	\$ 7,723,960	\$ -	\$ 1,278	\$ 61,613	\$ 121,650	\$ 1,113,241	\$ 9,021,742
Salaries and benefits payable	1,494,739	-	-	-	-	-	1,494,739
Interfund payables	4,726,341	30,558,059	2,353,730	4,455,189	-	6,031,436	48,124,755
Unearned revenues	-	-	-	-	-	91,307	91,307
TOTAL LIABILITIES	13,945,040	30,558,059	2,355,008	4,516,802	121,650	7,235,984	58,732,543
Fund balances:							
Nonspendable	79,764	-	-	-	-	100,754	180,518
Restricted	271,799	-	-	-	68,852,078	24,738,525	93,862,402
Committed	6,597,361	-	-	-	-	7,396,080	13,993,441
Unassigned	44,943,156	-	-	-	-	-	44,943,156
TOTAL FUND BALANCES	51,892,080	-	-	-	68,852,078	32,235,359	152,979,517
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,837,120	\$ 30,558,059	\$ 2,355,008	\$ 4,516,802	\$ 68,973,728	\$ 39,471,343	\$ 211,712,060

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2021

		Statement D
Total Fund Balances at June 30, 2021 - Governmental Funds		\$ 152,979,517
Governmental capital assets at June 30, 2021	1,790,324,176	
Less: Accumulated depreciation as of June 30, 2021	<u>(279,576,525)</u>	1,510,747,651
Consolidation of internal service funds		1,746,782
Deferred outflows and inflows of resources are not available to pay current period expenditures and, therefore are not reported in the governmental funds.		
Deferred outflow of resources - deferred pension contributions	4,985,973	
Deferred outflow of resources - related to net pension liability	7,025,323	
Deferred outflow of resources - total other post-employment benefit liability	<u>809,127</u>	12,820,423
Deferred inflow of resources - related to net pension liability	(18,014,594)	
Deferred inflow of resources - total other post-employment benefit liability	<u>(803,646)</u>	(18,818,240)
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term, are reported in the Statement of Net Position.		
Balance at June 30, 2021 are:		
Net pension liability (GASB 68)	(35,848,710)	
Total other post-employment benefits liability (GASB 75)	(5,746,197)	
Other claims and judgments payable	(38,333,841)	
Compensated absences payable	<u>(1,480,073)</u>	(81,408,821)
Net position at June 30, 2021 - Governmental Activities		<u><u>\$ 1,578,067,312</u></u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

Statement E

	Special Revenue Funds			Capital Projects Funds			Total
	General	Pass-Through Fund	ESSA	Hurricane Katrina Restoration	Facilities Preservation	Non-major Governmental	
REVENUES							
Local sources:							
Ad valorem taxes	\$ 2,828,944	\$ 163,835,697	\$ -	\$ -	\$ 22,000,788	\$ -	\$ 188,665,429
Sales and use taxes	2,262,748	104,601,855	-	-	-	16,196,439	123,061,042
Earnings on investments	140,579	-	-	-	-	1,679,027	1,819,606
Food Services	-	-	-	-	-	12,578	12,578
Other	18,271,807	-	-	-	573,147	1,596,478	20,441,432
State sources:							
Equalization-Minimum Foundation	4,416,489	196,886,690	-	-	-	-	201,303,179
Other	2,989,922	-	-	-	-	676,557	3,666,479
Federal sources	14,178,212	-	9,120,071	5,385,920	-	12,080,222	40,764,425
TOTAL REVENUES	45,088,701	465,324,242	9,120,071	5,385,920	22,573,935	32,241,301	579,734,170
EXPENDITURES							
Current:							
Instruction:							
Regular programs	3,255,316	-	-	741,752	-	2,106,586	6,103,654
Special education	1,952,649	-	12,702	-	-	818,735	2,784,086
Other Instructional programs	2,584,573	-	20,023	-	-	-	2,604,596
Special programs	642	-	-	-	-	29,770	30,412
Student services	6,227,446	-	189,978	-	-	2,246,843	8,664,267
Support services:							
Instructional staff support	1,685,249	-	353,217	-	-	789,028	2,827,494
General administration	6,318,394	8,232,436	-	-	809,924	196,216	15,556,970
School administration	1,215,257	-	-	-	-	2,129,289	3,344,546
Business services	3,835,886	-	1,636	-	48,987	20,113	3,906,622
Plant services	10,626,941	-	-	-	2,293,529	767,115	13,687,585
Student transportation services	960	-	-	-	-	-	960
Central services	3,080,388	-	-	-	-	153,744	3,234,132
Food services	28,442	-	-	-	-	4,004,199	4,032,641
Community service programs	-	-	-	-	-	(25)	(25)
Appropriations - Charter Schools and OJJ:							
Type II Charter Schools and OJJ	-	11,821,380	-	-	-	-	11,821,380
Type III Charter Schools	1,553,572	451,800,069	7,880,874	-	-	4,842,018	466,076,533
Capital Outlay:							
Facilities acquisition and construction	-	-	-	4,644,168	11,504,288	1,131,625	17,280,081
Debt service:							
Principal	-	-	-	-	-	20,993,571	20,993,571
Interest and fiscal charges	-	-	-	-	-	444,248	444,248
TOTAL EXPENDITURES	42,365,715	471,853,885	8,458,430	5,385,920	14,656,728	40,673,075	583,393,753
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,722,986	\$ (6,529,643)	\$ 661,641	\$ -	\$ 7,917,207	\$ (8,431,774)	\$ (3,659,583)
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 8,328,269	\$ 11,073,653	\$ -	\$ -	\$ 602,512	\$ 2,985,311	\$ 22,989,745
Transfers out	(7,230,867)	(4,544,010)	(661,641)	-	(4,831,360)	(6,328,168)	(23,596,046)
Insurance recoveries	22,339	-	-	-	-	-	22,339
TOTAL OTHER FINANCING SOURCES (USES)	1,119,741	6,529,643	(661,641)	-	(4,228,848)	(3,342,857)	(583,962)
NET CHANGE IN FUND BALANCES	3,842,727	-	-	-	3,688,359	(11,774,631)	(4,243,545)
FUND BALANCES - BEGINNING	48,049,353	-	-	-	65,163,719	44,009,990	157,223,062
FUND BALANCES - ENDING	\$ 51,892,080	\$ -	\$ -	\$ -	\$ 68,852,078	\$ 32,235,359	\$ 152,979,517

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

		Statement F
Net Change in Fund Balances - Total Governmental Funds		\$ (4,243,545)
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 17,280,081	
Depreciation expense for year ended June 30, 2021	<u>(42,637,941)</u>	(25,357,860)
Acquisition value of donated capital assets		58,413,954
Change in net position of internal service funds		(112,188)
Long Term Liabilities:		
Change in accrued interest payable	247,500	
Principal portion of debt and capital lease payments	20,993,571	
Amortization of premium on issuance of debt	167,383	
Change in compensated absences payable	(181,679)	
Change in other estimated claims and judgments payable	(6,873,644)	
Change in total OPEB liability and associated deferrals	273,323	
Change in net pension liability and associated deferrals	<u>6,786,755</u>	<u>21,413,209</u>
Change in Net Position - Governmental Activities		<u>\$ 50,113,570</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

Statement G

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
	<u>ENTERPRISE FUNDS</u>			
	<u>ORLEANS SCHOOLS FACILITY</u>			
	<u>TIMBERS</u>	<u>FOUNDATION</u>	<u>TOTALS</u>	
<u>ASSETS</u>				
Current:				
Cash and cash equivalents	\$ -	\$ 25,091,978	\$ 25,091,978	\$ 3,224,205
Equity in pooled assets	-	1,292,039	1,292,039	3,497,798
Receivables	8,732	1,671,209	1,679,941	32,189
Prepaid expenses	-	-	-	300,000
Notes receivable	-	1,483,875	1,483,875	-
Current total	<u>8,732</u>	<u>29,539,101</u>	<u>29,547,833</u>	<u>7,054,192</u>
Noncurrent:				
Notes receivable	-	89,755,945	89,755,945	-
Capital Assets				
Land	1,440,992	-	1,440,992	-
Capital assets, net of accumulated depreciation	4,781,757	-	4,781,757	-
Noncurrent total	<u>6,222,749</u>	<u>89,755,945</u>	<u>95,978,694</u>	<u>-</u>
TOTAL ASSETS	<u>6,231,481</u>	<u>119,295,046</u>	<u>125,526,527</u>	<u>7,054,192</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts and other payables	324,425	353,241	677,666	2,780
Salaries and benefits payable	47,786	-	47,786	-
Interfund payables	1,053,969	2,349,937	3,403,906	4,065,375
Claims payable	-	-	-	1,237,255
Total current liabilities	<u>1,426,180</u>	<u>2,703,178</u>	<u>4,129,358</u>	<u>5,305,410</u>
Noncurrent liabilities:				
Claims payable	-	-	-	2,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
TOTAL LIABILITIES	<u>1,426,180</u>	<u>2,703,178</u>	<u>4,129,358</u>	<u>5,307,410</u>
<u>NET POSITION</u>				
Net investment in capital assets	6,222,749	-	6,222,749	-
Restricted	-	116,591,868	116,591,868	-
Unrestricted (deficit)	(1,417,448)	-	(1,417,448)	1,746,782
	<u>\$ 4,805,301</u>	<u>\$ 116,591,868</u>	<u>\$ 121,397,169</u>	<u>\$ 1,746,782</u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES</u>			Statement H
	<u>ENTERPRISE FUNDS</u>			GOVERNMENTAL
	<u>ORLEANS SCHOOLS</u>			ACTIVITIES
	<u>TIMBERS</u>	<u>ORLEANS SCHOOLS FACILITY FOUNDATION</u>	<u>TOTALS</u>	INTERNAL SERVICE FUNDS
<u>OPERATING REVENUES</u>				
Premiums	\$ -	\$ -	\$ -	\$ 176,189
Reimbursements	-	-	-	18,004
Rental	934,359	-	934,359	-
Other revenues	116	754,994	755,110	-
TOTAL OPERATING REVENUES	934,475	754,994	1,689,469	194,193
<u>OPERATING EXPENSES</u>				
Salaries and benefits	958,480	-	958,480	-
Contractual services	515,986	6,998	522,984	-
Depreciation	163,298	-	163,298	-
Materials and supplies	13,128	-	13,128	-
Repairs and maintenance	833,905	9,309,747	10,143,652	-
Administrative expenses	-	-	-	178,126
Premium payments	-	-	-	182,553
Benefit payments\claims expense	-	-	-	552,006
TOTAL OPERATING EXPENSES	2,484,797	9,316,745	11,801,542	912,685
NET OPERATING INCOME (LOSS)	(1,550,322)	(8,561,751)	(10,112,073)	(718,492)
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	-	2,239,491	2,239,491	-
Appropriations - Type III Charter Schools	-	(83,773)	(83,773)	-
Transfers In	-	-	-	606,301
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	2,155,718	2,155,718	606,301
Change in net position	(1,550,322)	(6,406,033)	(7,956,355)	(112,191)
NET POSITION, BEGINNING	6,355,623	122,997,901	129,353,524	1,858,973
NET POSITION, ENDING	\$ 4,805,301	\$ 116,591,868	\$ 121,397,169	\$ 1,746,782

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES			Statement I GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS			
	ORLEANS SCHOOLS			
	FACILITY			
TIMBERS	FOUNDATION	TOTALS		
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from interfund charges for premiums	\$ 1,053,969	\$ -	\$ 1,053,969	\$ 1,866,396
Other receipts	931,861	(540,822)	391,039	75,554
Payments for benefits	-	-	-	(1,597,615)
Payments for excess insurance	-	-	-	(307)
Payments to employees for salaries and related benefits	(925,826)	-	(925,826)	(227,891)
Payments to suppliers and service providers	(1,340,346)	(2,120,504)	(3,460,850)	(110,836)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(280,342)	(2,661,326)	(2,941,668)	5,301
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Appropriations to Type III Charter Schools	-	(83,773)	(83,773)	-
Transfers in	-	-	-	606,301
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	-	(83,773)	(83,773)	606,301
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Cash receipts from loans	-	1,936,789	1,936,789	-
Interest income	-	2,239,491	2,239,491	36
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	4,176,280	4,176,280	36
NET CHANGE IN CASH	(280,342)	1,431,181	1,150,839	611,638
Cash and cash equivalents at beginning of year	280,342	24,952,836	25,233,178	6,110,365
Cash and cash equivalents at end of year	\$ -	\$ 26,384,017	\$ 26,384,017	\$ 6,722,003
<u>Reconciliation of operating loss to net cash used in operating activities</u>				
Operating loss	\$ (1,550,322)	\$ (8,561,751)	\$ (10,112,073)	\$ (718,492)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation expense	163,298	-	163,298	-
Non-cash transaction - repairs and maintenance	-	6,849,000	6,849,000	-
Changes in assets and liabilities:				
(Increase) decrease in receivables	(2,614)	(1,295,816)	(1,298,430)	57,550
(Increase) decrease in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	22,673	347,241	369,914	(49,708)
Increase (decrease) in unearned revenue	-	-	-	-
Increase (decrease) in compensated absences	32,654	-	32,654	(57,832)
Increase (decrease) in interfund payable	1,053,969	-	1,053,969	1,690,243
Increase (decrease) in claims payable	-	-	-	(916,460)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (280,342)	\$ (2,661,326)	\$ (2,941,668)	\$ 5,301

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD

NEW ORLEANS, LOUISIANA

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Statement J
	CUSTODIAL FUND
<u>ASSETS</u>	
Equity in pooled assets	\$ 438,634
Investments	<u>271,799</u>
TOTAL ASSETS	<u><u>\$ 710,433</u></u>
TOTAL LIABILITIES	<u>\$ -</u>
<u>NET POSITION (RESTRICTED)</u>	<u><u>\$ 710,433</u></u>

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2021

	Statement K
	CUSTODIAL FUND
	<hr/>
ADDITIONS:	
Investment income (loss):	
Earnings (loss) on investments	\$ 86,248
Net investment income	<hr/> 86,248
Total additions	<hr/> 86,249
DEDUCTIONS:	
Miscellaneous	<hr/> -
Total deductions	<hr/> -
NET INCREASE IN NET POSITION	86,249
NET POSITION - RESTRICTED	
Beginning of year	<hr/> 624,184
End of year	<hr/> <hr/> \$ 710,433

The accompanying notes to the basic financial statements are an integral part of this financial statement.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Orleans Parish School Board conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

A. **Financial Reporting Entity**

The Orleans Parish 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.

In 2020-2021 the Orleans Parish School Board directly operated 3 schools; independently chartered 21 schools; and chartered 52 schools to 14 different charter management operators. In addition, 5 schools located in Orleans Parish were chartered by the state Board of Elementary and Secondary Education (BESE) and one school was authorized by the Louisiana Legislature. Approximately 45,700 students attended these 82 New Orleans public schools in 2020-2021. The regular school term begins in August and runs through May. The Orleans Parish School Board has approximately 270 employees.

Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards* establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions, the Orleans Parish School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Orleans Parish School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The Orleans Parish School Board 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 Facilities Foundation, a non-profit organization reported as an enterprise fund. Separate financial statements for the Orleans Schools Facilities Foundation are not issued.

There are no other primary governments with which the Orleans Parish School Board has a significant relationship. The Orleans Parish School Board is not a component unit of any other entity.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. Fund Accounting

The financial transactions of the Orleans Parish School Board are recorded in individual 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, outflows of resources, liabilities, inflows of resources, fund balances, revenues and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds are classified into three broad categories: governmental, proprietary, and fiduciary, as discussed below.

Governmental Fund Types:

Governmental funds are used to account for all or most general activities. These funds focus on the sources, uses and balances of the current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The following are the Orleans Parish School Board's primary governmental fund types:

General Fund - The general fund is the general operating fund. 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 expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

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

In addition to the general fund, the Orleans Parish School Board reports four other major funds, all of which are governmental funds:

Revenue Pass-Through Fund, a special revenue fund established to account for the collection of Minimum Foundation Program unrestricted grant funds from the State, ad valorem taxes, and sales taxes, which are then distributed to charter schools based on the district level funding allocation.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **Fund Accounting** (continued)

Governmental Fund Types: (continued)

Every Student Succeeds Act (ESSA) Fund, a special revenue fund to assist through grants to provide opportunities for eligible children served to acquire the knowledge and skills to meet the challenging State performance standards.

Hurricane Katrina Restoration Fund, a capital projects fund established to account for the construction and renovation of school facilities funded by the Federal Emergency Management Agency (FEMA).

Facilities Preservation Fund, a capital projects fund established pursuant to Act 543 of the 2014 Regular Legislative Session (LSA-RS 17:100.11) to provide for the allocation of certain ad valorem and sales tax revenues to fund the replacement, repair, and improvement of existing school facilities.

ESSERF Fund, a special revenue fund through the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, the Elementary and Secondary School Emergency Relief Fund (ESSER Fund), is federally awarded by the Department of Education to State educational agencies for the purpose of providing local educational agencies, including charter schools, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have on elementary and secondary schools across the nation.

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA), was signed into law on December 27, 2020, and provides an additional \$54.3 billion for the Elementary and Secondary School Emergency Relief Fund (ESSER II Fund). Additionally, the American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund under the American Rescue Plan (ARP) Act of 2021, Public Law 117-2, enacted on March 11, 2021.

These Federal emergency resources are available for a wide range of activities to address diverse needs arising from or exacerbated by the COVID-19 pandemic, or to emerge stronger post-pandemic, including responding to students social, emotional, mental health, and academic needs and continuing to provide educational services as States, LEAs, and schools respond to and recover from the pandemic. Some uses of these funds may be directly focused on health and safety—such as improving ventilation and implementing prevention strategies that are, to the extent practicable, consistent with the Centers for Disease Control and Prevention (CDC) guidance. Other allowable uses may be focused on meeting the social, emotional, mental health, and academic needs of students. That could be through preventing teacher layoffs; providing accelerated learning opportunities; implementing rigorous curricula; funding additional school counselors, school nurses, and school psychologists; increasing the number of full-service community schools; conducting any activities allowed under a number of Federal education programs.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. Fund Accounting (continued)

Proprietary Fund Types:

Proprietary funds are used to account for activities that receive significant support from fees and charges and can be classified into two fund types: enterprise funds and internal service funds.

Enterprise funds are used to account for operations (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and in the proprietary fund financial statements as business-type activities. The Orleans Parish School Board uses the following two enterprise funds:

Timbers, an enterprise fund established to account for the rental receipts and operating costs of two buildings.

Orleans Schools Facilities Foundation, an enterprise fund, is considered a major fund, established to account for the activity of the Orleans Schools Facilities Foundation, a public benefit corporation of the Orleans Parish School Board organized under the provisions of LSA-RS 17:100.10 and whose purpose is to assist in facilitating tax credit financing for the construction and renovation of school buildings as described in Note 5.

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 and Retiree Health Insurance funds are used to account for the self-insured medical benefits offered to employees and their dependents, and retirees and their dependents, respectively. The Workers' Compensation Insurance fund is used to account for self-insured workers' compensation activity through June 30, 2006, after which the Orleans Parish School Board became fully insured.

Financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues consist primarily of rental income, insurance premiums, and income related to facilitating tax credit financing. Operating expenses result from the cost of maintaining the buildings generating rental income, including depreciation of capital assets, medical and workers' compensation claims, and direct costs associated with facilitating tax credit financing. All revenues and expenses not meeting this definition are reported as non-operating.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. Fund Accounting (continued)

Fiduciary Fund Types:

Fiduciary funds are used to report assets held in a trust agreement or equivalent arrangement that has certain characteristics or in a custodial capacity for the benefit of others and which therefore cannot be used to support the government's own programs.

The Orleans Parish School Board reports one custodial fund which is used to account for assets held for a private not-for-profit organization.

In accordance with *the Codification of Governmental Accounting and Financial Reporting Standards*, Section 2200.110b, government-wide financial reporting excludes fiduciary funds, which are presented separately in the fiduciary fund financial statements.

C. Basis of Presentation

The Orleans Parish School Board's basic financial statements consist of the government-wide statements on all of the non-fiduciary fund activities and fund financial statements (individual major and combined nonmajor 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 (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

D. **Measurement Focus and Basis of Accounting**

Measurement focus refers to *what* items should be reported as elements of financial statements and basis of accounting refers to *when* those elements are recognized in the financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Orleans Parish School Board.

The government-wide financial statements were prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Codification Section N50, *Non-exchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself (sale of meals to students and faculty) or from sources outside of the Orleans Parish School Board's tax base directly related to the program (operating grants and contributions); program revenues reduce the cost of the function to be financed from general revenues.

Allocation of Indirect Expenses and Elimination of Internal Activity

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable by 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 long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Amounts reported in the funds as interfund receivables and payables have been eliminated in the Statement of Net Position.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

D. **Measurement Focus and Basis of Accounting** (continued)

Fund Financial Statements

Governmental Funds

The accounting and financial reporting treatments applied to a fund are determined by its measurement focus. All governmental funds are accounted for using a *current financial resources measurement focus*. With the current financial resources 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 financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds are accounted for on the *modified accrual basis of accounting*. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become measurable and available to pay current liabilities. Such revenue items are ad valorem taxes, sales taxes, and state and federal entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales and use taxes are considered measurable when the underlying transaction occurs and are considered “available” when expected to be collected within the next two months. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from state and federal grants 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 are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid 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 obligation principal and interest payments are recognized only when due.

Proprietary Funds

Enterprise funds are used to account for business-type rental activity and facilitating tax credit financing for the construction and renovation of school buildings. Rental receipts and the sale of tax credits are accounted for as operating revenues, and facility operation and maintenance and leverage lender transactions are accounted for as operating expenses.

Internal service funds are used to account for self-insured activity. Premium revenues, claims expense, and administrative costs customarily associated with self-insurance programs are accounted for as operating revenues and expenses.

The proprietary fund type is accounted for on a flow of economic resources measurement focus (accrual basis).

Fiduciary Funds

Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. **Budget and Budgetary Accounting**

The Orleans Parish 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 adopted budgets. The general fund and the special revenue funds budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States and are adopted on an annual basis.

Annually the Superintendent submits to the Orleans Parish School Board a proposed annual appropriated budget for the general fund and special revenue funds for the fiscal year commencing on July 1. The operating budgets include proposed expenditures and the means of financing them. Public hearings are advertised and conducted to obtain taxpayer comments and proposed budgets are published in the Orleans Parish School Board's official journal and on their web site. The budget is legally enacted through passage of a resolution by the Orleans Parish School Board and is submitted to the Louisiana Department of Education for approval. The Orleans Parish School Board approves budgets at the fund level, the legal level of budgetary control, and the Superintendent is authorized to move budgeted items within functional categories. The *Annual Operating Budget* and *Budget Planning and Preparation* policies provide guidelines for setting, adopting, and amending budgets.

Expenditures for special revenue funds' 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 Louisiana Department of Education. For the Child Nutrition Program, budget amendments follow the same requirements as the general fund.

Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions.

The capital projects funds' budgets are adopted on a project basis using architectural and engineering estimates, since such projects may be started and completed at any time during the year or may extend beyond one fiscal year. All projects remain programmed and funded until completed or until the Orleans Parish School Board decides to eliminate the project. By statute the Orleans Parish School Board is not required to adopt a budget for its capital projects funds; therefore, these funds utilize project budgets rather than annual budgets and accountability is controlled over the life of the project. The Orleans Parish School Board approves construction projects.

Unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations at year end that have been approved by the Orleans Parish School Board are generally expended during the next fiscal year's operation, assuming that the underlying liability is ultimately incurred. Encumbrances are commitments related to unperformed contracts for goods or services and are reported as restricted, committed, or assigned fund balance.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. Budget and Budgetary Accounting (continued)

Budgeted amounts are as originally adopted or as amended by the Orleans Parish School Board. Legally, the Orleans Parish School Board must adopt a balanced budget; that is, total budgeted expenditures and other financing uses cannot exceed total budgeted revenues and other financing sources including fund balance. State statutes require the Orleans Parish 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, or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

All budget amounts presented in the budgetary comparison schedules have been adjusted for legally authorized revisions of the annual budgets during the year. All budget revisions are approved by the seven-member Orleans Parish School Board.

F. Cash and Cash Equivalents

Under state law, the Orleans Parish School Board may deposit funds with a fiscal agent organized under the laws of the state of Louisiana, the laws of any other state in the union, or the laws of the United States of America. The Orleans Parish School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The Orleans Parish School Board has adopted a comprehensive Investments policy.

Cash and cash equivalents include cash on hand, cash on deposit, certificates of deposit, money market accounts and short-term investments with a maturity date within three months of the date of acquisition. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

The Orleans Parish School Board's *Investments* policy permits consolidating cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing and administration. Investment income is allocated to the various funds based on invested balances of the participating funds during the year.

G. Investments

The Orleans Parish School Board may also invest in United States government securities, debentures, and other allowable obligations issued or backed by the full faith and credit of the United States of America and securities, debentures, or other allowable obligations issued by the state of Louisiana, any of its political subdivisions, and any domestic United States corporation (see Note 3). Investments are stated at fair value. Fair value was determined using quoted prices in active markets for identical assets (Level 1 inputs) or quoted prices for identical or similar securities in active markets, or matrix pricing based on the securities' relationship to benchmark quoted prices (Level 2 inputs). Investment income includes interest earned, realized gains and losses, and unrealized gains and losses (changes in fair value).

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

H. Inventory and Prepaid Items

Inventory of the Child Nutrition special revenue fund consists of food purchased by the Orleans Parish School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenues in the period when all eligibility requirements are met (typically when received). All inventory items purchased are valued at cost (first-in, first-out) and donated commodities are valued at the market value at the date of donation based on market values provided by the United States Department of Agriculture. The costs of both inventory items and prepaid items (insurance and expenditures) are accounted for using the consumption method and are recognized as expenditures when used.

I. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The system for the accumulation of capital asset cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost. The Orleans Parish School Board's management accounting policy determines the threshold level of the amount of assets to capitalize to be \$5,000 per unit for equipment and \$50,000 for buildings and improvements.

Capital assets are recorded in the government-wide financial statements and are not recorded in the governmental fund financial statements. 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 by the Orleans Parish School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 20 to 40 years for buildings, 25 years for building improvements, 10 to 20 years for other improvements, 3 to 10 years for furniture and equipment, 5 to 8 years for transportation equipment, and 5 to 20 years for all other equipment.

The Orleans Parish School Board does not possess material amounts of infrastructure capital assets, such as sidewalks and parking lots.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

J. Interfund Receivables and Payables

Transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either Interfund Receivables or Payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

K. Deferred Inflows and Outflows of Resources

A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. The Orleans Parish School Board's deferred outflows of resources are related to its pension liability (see Note 10) and other postemployment benefits (see Note 11).

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. The Orleans Parish School Board's deferred inflows of resources are related to its pension liability (see Note 10) and other postemployment benefits (see Note 11).

L. Unearned Revenues

The Orleans Parish School Board reports unearned revenues when resources are received by the Orleans Parish 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 Orleans Parish 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.

M. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported separately from the applicable bond premium or discount (see Note 8). Bond issuance costs are expensed in the period in which they occurred.

In the fund financial statements bond proceeds are reported as other financing sources, net of the applicable premium or discount. Bond premiums and discounts, as well as issuance costs, are recognized during the current period.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

N. Compensated Absences

Under Orleans Parish 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 employee's current rate of pay. The accrual computation for earned sick leave is calculated on a twenty-five-day maximum per employee. Sick leave is not payable upon discharge or termination and no allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire. Upon retirement, accumulated sick leave in excess of reimbursement may be used in the retirement benefit computation as earned service.

Full-time employees who work year-round are granted vacation in varying amounts depending on length of service up to a maximum of twenty-two days per year as established by Orleans Parish School Board policy. Such leave is credited on a pro rata basis at the end of each payroll reporting period and accumulates until six months after the fiscal year ends or 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 Orleans Parish 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 Orleans Parish School Board approval.

In governmental fund types, sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Vacation and sick leave accrued and compensatory time earned but not paid as of the end of the fiscal year is valued using employees' current rates of pay (see Note 8). Accrued vacation and sick leave and unpaid compensatory time will be paid from future years' resources.

O. Pension Plans

The Orleans Parish School Board is a participating employer in three cost-sharing multiple-employer defined benefit pension plans as described in Note 10. 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 position of each of the plans, and additions to and deductions from each plan's fiduciary net position, have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. Investments have been reported at fair value within each plan.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

P. **Other Post-Employment Benefit Plan**

The Orleans Parish School Board provides certain continuing healthcare and life insurance benefits for its retired employees through a single-employer defined benefit other postemployment benefits plan as described in Note 11. For purposes of measuring the other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to the plan, and plan expense, information about the fiduciary net position of the plan, and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. The postemployment benefits plan had no assets as of June 30, 2021.

Q. **Restricted Net Position**

For the government-wide Statement of Net Position, net position is classified and displayed in three components focused on the accessibility of the underlying assets:

- Net investment in capital assets, calculated as capital assets net of accumulated depreciation plus capital-related deferred outflows of resources less capital-related borrowings and deferred inflows of resources;
- Restricted, either externally imposed by creditors such as debt covenants, grantors, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation; or
- Unrestricted.

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

R. **Fund Equity of Fund Financial Statements**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted represents balances where constraints have been established by parties outside the Orleans Parish School Board or imposed by law through constitutional provisions or enabling legislation.

Committed represents balances that can only be used for specific purposes pursuant to constraints imposed by the adoption of a resolution by the Orleans Parish School Board, which is the Orleans Parish School Board's highest level of decision-making authority.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

R. **Fund Equity of Fund Financial Statements** (continued)

Assigned represents balances that are constrained by the Orleans Parish School Board's intent to be used for specific purposes but are not restricted or committed.

Unassigned represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Orleans Parish School Board establishes, 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 Orleans Parish School Board through adoption or amendment of the budget as intended for the specific purpose.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Orleans Parish School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Orleans Parish School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

S. **Interfund Transactions**

During the course of normal operations, the Orleans Parish School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt (see Notes 12 and 13).

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.

T. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures and contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used primarily when accounting for the fair value of investments, depreciation, claims payable, net pension liability, and the other postemployment benefits liability.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

U. **Current Accounting Standard Scheduled to be Implemented**

The following accounting standard by the Governmental Accounting Standards Board (GASB) is scheduled to be implemented in the future that may affect the School Board's financial report:

GASB Statement 87, Leases. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The School Board will include the requirements of this standard, as applicable, in its June 30, 2022 financial statements. All of the School Board lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the School Board are unknown at this time.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

2. **AD VALOREM AND SALES TAXES**

Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish Assessor. Values are established by the elected Assessor 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 correctness of assessments by the Assessor is subject to review and certification of the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years; all property subject to taxation was reappraised in 2020. The following is a summary of levied ad valorem taxes for the fiscal year ended June 30, 2021.

Parish-wide taxes:	<u>Levied Millage</u>	<u>Expires Dec. 31</u>
Constitutional	27.65	N/A
Dedicated:		
Purpose A	School books, materials and supplies	1.55
Purpose B	Early childhood, discipline and dropout programs	1.55
Purpose C	Employee salaries, benefits and incentives	7.27
Purpose D	Air conditioning, asbestos removal and facilities	2.32
Bond	2.00	2024
Capital repairs	<u>2.97</u>	2024
Total millage	<u><u>45.31</u></u>	

The City of New Orleans, as provided by state law, is the official tax collector of general property taxes levied by the Orleans Parish School Board.

Taxes are due and payable by January 31 of the assessment year and the lien date is February 1.

State law requires the City of New Orleans to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent on February 1. If taxes are not paid by the due date, taxes bear interest at the rate of one percent per month until taxes are paid. A list of property on which taxes have not been paid is published in the official journal of 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 Orleans Parish School Board's fiscal year.

All property taxes are recorded in the governmental funds on the basis explained in Note 1D. Revenues in such funds 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. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due or past due and receivable within the current period and collected within the current period. The remaining property taxes receivable are considered available because they are substantially collected within sixty days subsequent to year end.

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

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

2. **AD VALOREM AND SALES TAXES** (continued)

Sales and Use Tax

The voters of Orleans Parish authorized the Orleans Parish School Board to levy and collect one and one-half percent sales and use tax. A one percent tax approved in 1966 is to be used for the payment of salaries of teachers or for the general operations of the Orleans Parish School Board. The additional one-half percent tax approved in 1980 is to be used for the payment of salaries of teachers and other educational employees of the Orleans Parish School Board, the expenses of maintaining and operating schools, and for providing funds to pay for capital improvements.

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 tangible property. 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 Orleans Parish School Board. The Orleans Parish School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees.

3. **EQUITY IN POOLED CASH, DEPOSITS, AND INVESTMENTS**

A. Equity in Pooled Cash

The Orleans Parish School Board pools its undesignated internal cash and investments and reports the combined amount as a single line item across the funds as Equity in Pooled Assets; overdrawn amounts are listed as a liability. The following table list the components of pooled assets and cash and investments not included in pooled cash:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Cash:				
Included in pooled assets	\$ 17,853,376	\$ 1,292,039	\$ 438,634	\$ 19,584,049
Other cash	10,733,149	25,091,978	-	35,825,127
Total Cash	<u>28,586,525</u>	<u>26,384,017</u>	<u>438,634</u>	<u>55,409,176</u>
Investments at fair value				
Included in pooled assets	\$ 83,331,624	\$ -	\$ -	\$ 83,331,624
Other investments	-	-	-	-
Total Investments	<u>\$ 83,331,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,331,624</u>
Total	<u>\$ 111,918,149</u>	<u>\$ 26,384,017</u>	<u>\$ 438,634</u>	<u>\$ 138,740,800</u>
Pooled assets total	<u>\$ 101,185,000</u>	<u>\$ 1,292,039</u>	<u>\$ 438,634</u>	<u>\$ 102,915,673</u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

3. **EQUITY IN POOLED CASH, DEPOSITS, AND INVESTMENTS** (continued)

B. Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Orleans Parish School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. In addition, the *Investments* policy requires that all securities owned by the Orleans Parish School Board be held by a third-party custodian approved by the investment officer and evidenced by monthly statements and trade confirmations. As of June 30, 2021 none of the Orleans Parish School Board's bank balances were exposed to custodial credit risk.

Securities that may be pledged as collateral consist of obligations of the United States government and its agencies, obligations of the state of Louisiana and its municipalities, and school districts.

C. Investments

As of June 30, 2021 the Orleans Parish School Board had the following investments and maturities:

Type of Debt Investment	Fair Value	No maturity	Maturing in Less Than 1 Year	Maturing in 1 to 5 Years	Maturing in 6 to 10 Years	Maturing in 10+ Years	Credit Rating (Moody's)
Governmental Activities							
Investments at fair value							
Money market	\$ 463,405	\$ -	\$ 463,405	\$ -	\$ -	\$ -	Aaa
U.S. treasury bonds	1,434,650	-	-	1,434,650	-	-	Aaa
U.S. treasury notes	17,251,394	-	3,455,623	13,795,771	-	-	Aaa
U.S. agency securities	15,103,787	-	2,869,018	12,021,313	15,034	198,422	Aaa
U.S. corporate bonds	4,151,397	-	154,255	3,997,142	-	-	A2 - Aaa
U.S. corporate stocks	213,561	213,561	-	-	-	-	n/a
Municipal bonds	1,868,882	-	-	1,868,882	-	-	A2 - Aa1
Subtotal	<u>40,487,076</u>	<u>213,561</u>	<u>6,942,301</u>	<u>33,117,758</u>	<u>15,034</u>	<u>198,422</u>	
Investments measured at the net asset value (NAV)							
Louisiana Asset Management Pool	42,844,548	-	42,844,548	-	-	-	
Total Governmental activities	<u>\$ 83,331,624</u>	<u>\$ 213,561</u>	<u>\$ 49,786,849</u>	<u>\$ 33,117,758</u>	<u>\$ 15,034</u>	<u>\$ 198,422</u>	

The Orleans Parish School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

3. **EQUITY IN POOLED CASH, DEPOSITS, AND INVESTMENTS** (continued)

C. **Investments** (continued)

- Level 2 Investments with inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. The Orleans Parish School Board's Level 2 investments are valued using quoted prices for identical or similar securities in active markets or matrix pricing based on the securities' relationship to benchmark prices.
- Level 3 Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment. The Orleans Parish School Board has no investments reported as Level 3.

A summary of the Orleans Parish School Board's investments, along with the fair value hierarchy levels of each type of investment is as follows:

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>
Investments at fair value			
Money market	\$ 463,405	\$ 463,405	\$ -
U.S. treasury bonds	1,434,650	1,434,650	-
U.S. treasury notes	17,251,394	17,251,394	-
U.S. agency securities	15,103,787	-	15,103,787
U.S. corporate bonds	4,151,397	-	4,151,397
U.S. stocks	213,561	213,561	-
Municipal bonds	1,868,882	-	1,868,882
Subtotal	<u>40,487,076</u>	<u>\$ 19,363,010</u>	<u>\$ 21,124,066</u>
Investments measured at the net asset value (NAV)			
Louisiana Asset Management Pool	<u>42,844,548</u>		
Total investments	<u>\$ 83,331,624</u>		

Interest Rate Risk: The Orleans Parish School Board's *Investments* policy provides for a maximum maturity of five years and the portfolio's weighted average effective duration shall not exceed three years. At June 30, 2021 the weighted average for investments was 2.32 years.

Credit Risk: Under LSA-RS 33:2955 local governments in Louisiana may invest in obligations of the United States Treasury, United States agencies and instrumentalities, repurchase agreements, certificate of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The Orleans Parish School Board's *Investments* policy does not further limit its investment choices.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

3. **EQUITY IN POOLED CASH, DEPOSITS, AND INVESTMENTS** (continued)

C. **Investments** (continued)

Concentration of Credit Risk: At June 30, 2021 the amount invested in the local government investment pool exceeded the maximum amount in the Orleans Parish School Board's *Investments* policy by approximately 26% as shown on the following table:

<u>Security</u>	<u>Amount</u>	<u>Allocation percentage</u>	<u>Permitted by policy</u>
Money market	\$ 463,405	0.56%	25.00%
U.S. treasury bonds	1,434,650	1.72%	100.00%
U.S. treasury notes	17,251,394	20.70%	100.00%
U.S. agency securities	15,103,787	18.12%	40.00%
U.S. corporate Bonds	4,151,397	4.98%	50.00%
U.S. stocks	213,561	0.26%	0.00%
Municipal bonds	1,868,882	2.24%	25.00%
Louisiana Asset Management Pool	42,844,548	51.42%	25.00%
	<u>\$ 83,331,624</u>	<u>100.00%</u>	

Local Government Investment Pool: At June 30, 2021 over \$42.8 million is invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio, reported at fair value, includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-RS 33:2955. The following facts are relevant for LAMP:

Credit Risk: LAMP is rated AAA by Standard and Poor's.

Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of Credit Risk: Pooled investments are excluded from the 5% disclosure requirement.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

3. **EQUITY IN POOLED CASH, DEPOSITS, AND INVESTMENTS** (continued)

C. **Investments** (continued)

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity method. The weighted average maturity of LAMP assets is restricted to not more than ninety days and consists of no securities with a maturity in excess of 397 days or 762 days for United States government floating/variable rate investments. The weighted average maturity for LAMP's total investments is 53 days as of June 30, 2021.

Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained at www.lampool.com.

4. **RECEIVABLES**

Short-term accounts receivable of the primary government as of June 30, 2021 were as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Property Taxes	\$ 6,402,597	\$ -	\$ 6,402,597
Sales Tax	24,155,462	-	24,155,462
State Grants	1,947,224	-	1,947,224
Federal Grants	11,239,123	-	11,239,123
Due from Charter Schools	5,001,257	1,418,608	6,419,865
Other	2,027,886	261,333	2,289,219
Total	<u>\$ 50,773,549</u>	<u>\$ 1,679,941</u>	<u>\$ 52,453,490</u>

All receivables are expected to be collected within one year of the end of the fiscal period. The federal grant receivables represent claims for reimbursement of allowable federal program costs and are subject to review and approval of the granting agencies. These claims could be denied or reduced; however, management believes all claims are collectible.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS

The Orleans Parish School Board and Orleans Schools Facilities Foundation (OSFF) have entered into various tax credit transactions to provide financing for the construction and development of charter schools located in New Orleans. OSFF is a public benefit corporation wholly owned by the Orleans Parish School Board which serves as a leverage lender and is a blended component unit of the Orleans Parish School Board. As of June 30, 2021 loans receivable totaled \$91,239,820 with maturities between 2040 and 2052 and interest rates between 1.43% and 2.61%. The individual loans are as follows:

School Facility	Month, Year	Original Loan Amount	Interest Rate	Maturity	Range of Principal Installments	Principal Outstanding at June 30, 2021
Avery Alexander	May 2015	\$ 6,296,500	1.429250%	06/10/2040	\$0 - \$111,280	\$ 6,296,500
Sophie B. Wright High	April 2016	28,952,908	2.230000%	04/27/2046	\$0 - \$110,387	25,288,454
Booker T. Washington High	June 2017	13,868,212	1.430830%	06/13/2047	\$0 - \$695,621	13,868,212
Harriet Tubman	December 2017	17,603,367	2.610000%	12/27/2052	\$0 - \$69,447	16,829,746
John McDonogh	December 2017	30,009,029	2.610000%	12/27/2052	\$0 - \$122,896	28,956,908
		<u>\$ 96,730,016</u>				<u>\$ 91,239,820</u>

The loans are due as follows:

Year Ending June 30, 2021	Principal Payments	Interest Payments	Total
2022	\$ 1,483,875	\$ 2,163,420	\$ 3,647,295
2023	1,666,692	2,124,798	3,791,490
2024	1,794,178	2,083,574	3,877,752
2025	2,090,927	2,039,307	4,130,234
2026	2,367,545	1,955,285	4,322,830
2027-2031	14,054,161	9,161,850	23,216,011
2032-2036	16,485,510	7,354,892	23,840,402
2037-2041	18,149,245	5,415,515	23,564,760
2042-2046	18,479,612	3,234,283	21,713,895
2047-2051	11,275,941	1,288,139	12,564,080
2052-2056	3,392,134	78,371	3,470,505
	<u>\$ 91,239,820</u>	<u>\$ 36,899,434</u>	<u>\$ 128,139,254</u>

The following is a summary of the individual tax credit transactions, and related loans receivable, as of June 30, 2021.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

5. **LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS** (continued)

McDonogh 42 Elementary School

In November 2013 the Orleans Parish School Board and the Recovery School District signed a cooperative endeavor agreement (CEA) to approve the transfer of the McDonogh 42 Elementary School property, located at 1651 North Tonti Street, to the OSFF. The property transfer occurred pursuant to a 99-year master lease to facilitate the construction of McDonogh 42 Elementary School in a New Market Tax Credit (NMTC) leveraged financing transaction. Rent under this lease is \$1 per year of the term. The CEA required OSFF to then transfer the McDonogh 42 Elementary School to the McDonogh 42 School Facility, LLC, serving as a Qualified Active Low Income Community Business (McDonogh 42 QALICB) in the NMTC leveraged financing transaction. OSFF transferred the McDonogh 42 Elementary School property to the McDonogh 42 QALICB pursuant to a 65-year sub-lease. Rent under this lease is \$1 per year of the term.

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, by either loan or grant, as necessary, to complete construction of the McDonogh 42 Elementary School. Pursuant to this requirement the Orleans Parish School Board advanced \$15,499,000 to OSFF, of which \$6,849,000 (Leveraged Loan) was loaned by OSFF to the McDonogh Elementary Investment Fund, LLC. Of the remaining \$8,650,000, \$1,307,050 was provided to the McDonogh 42 QALICB as a capital grant to be used solely and exclusively to pay for the construction costs of the McDonogh 42 School. McDonogh 42 QALICB completed the construction of the McDonogh 42 Elementary School with debt and equity financing.

The Leveraged Loan by OSFF to McDonogh Elementary Investment Fund, LLC closed in the form of a note accruing interest at .78% and maturing on October 23, 2045. Interest only payments were made at the end of each calendar quarter for the first seven years of the note, with principal and interest payments due quarterly thereafter. At maturity, the outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2021 totaled \$17,369. The Leveraged Loan is collateralized by a first lien security interest in all of McDonogh Elementary Investment Fund, LLC's rights, title, and interest in its 99.99% membership interest in subsidiary community development entities (Sub-CDEs) whose assets consisted of leasehold mortgage loans (QALICIs) to McDonogh 42 QALICB financed by McDonogh Elementary Investment Fund, LLC with proceeds of NMTC equity and the Leveraged Loan.

In October 2020 the parties to the New Market Tax Credit financing unwound the leveraged financing structures. Pursuant to the unwind documents OSFF became the sole member of the McDonogh Elementary Investment Fund, LLC to which the QALICIs had been transferred. Following a simultaneous cancellation of the QALICIs and the Leveraged Loan and the cancellation of all leases, McDonogh 42 Elementary School was returned to the Orleans Parish School Board free and clear.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

5. **LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS** (continued)

Avery Alexander School

In May 2015 the Orleans Parish School Board and the Recovery School District signed a cooperative endeavor agreement (CEA) to approve the transfer of land located at 5800 St. Roch Avenue to the OSFF. The land transfer occurred pursuant to a 99-year master lease to facilitate the construction of the Pierre Capdau Charter School at Avery Alexander School (Alexander School) in a New Market Tax Credit (NMTC) leveraged financing transaction. Rent under this lease is \$1 per year of the term. The CEA required OSFF to then transfer the land to the Alexander School Facility, LLC, serving as a Qualified Active Low Income Community Business (Alexander QALICB) in the NMTC leveraged financing transaction. OSFF transferred the land pursuant to a 65-year sub-lease.

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, by either loan or grant, as necessary, to complete construction of the Alexander School. Pursuant to this requirement, the Orleans Parish School Board granted \$6,296,500 to OSFF (Leveraged Loan) which was loaned by OSFF to COCRF Investor 41, LLC. Alexander School Facility, LLC completed the construction of the Alexander School with debt and equity financing.

The Leveraged Loan by OSFF to COCRF Investor 41, LLC closed in the form of a note accruing interest at 1.43% and maturing on June 10, 2040. Interest only payments are made quarterly for the first seven years of the note, with principal and interest payments due quarterly thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2021 totaled \$89,993. The Leveraged Loan is collateralized by a first lien security interest in subsidiary community development entities (Sub-CDEs) whose assets consist of leasehold mortgage loans (QALICIs) to Alexander QALICB financed by COCRF Investor 41, LLC with proceeds of NMTC equity and the Leveraged Loan.

Sophie B. Wright High School

In April 2016 the Orleans Parish School Board and the Recovery School District signed a cooperative endeavor agreement (CEA) to approve the transfer of land and sale of building improvements, located at 1426 Napoleon Avenue, to OSFF. The sale of the building improvements and the property transfer occurred pursuant to a 99-year master lease to facilitate the completion of the historic rehabilitation and renovation of the Sophie B. Wright High School in a Federal Historic Rehabilitation Tax Credit (FHTC) and state historic tax credit leveraged financing transaction. Rent under this lease is \$1 per year of the term. The CEA required OSFF to then transfer the land and building improvements to the SBW School Facility, LLC through the execution of a 65-year ground lease, and the sale of the building improvements to SBW School Facility, LLC, with SBW School Facility, LLC obtaining debt and equity financing to complete the construction of the Sophie B. Wright High School.

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, either by loan or grant, as necessary, 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 Orleans Parish School Board advanced \$28,952,908 to OSFF (Leveraged Loan) which was loaned by OSFF to SBW School Facility, LLC. 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 SBW School Facility, LLC. For the year ended June 30, 2021 a total of \$1,140,405 was paid as a subsidy.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

5. **LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS** (continued)

Sophie B. Wright High School (continued)

The Leveraged Loan closed in the form of a note accruing interest at 2.23% and maturing on April 27, 2046. Interest only payments were paid monthly through May 5, 2016 with principal and interest payments due monthly for thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2021 totaled \$573,072. The Leveraged Loan is collateralized by a first lien security interest in SBW School Facility, LLC whose assets consist of leasehold mortgage loans with proceeds from federal and state historic tax credit equity and the Leveraged Loan.

Booker T. Washington High School

In June 2017 the Orleans Parish School Board and the Recovery School District signed a cooperative endeavor agreement (CEA) to approve the transfer of the of Booker T. Washington High School property, located at 1201 South Roman Street, to OSFF. The property transfer occurred pursuant to a 99-year master lease to facilitate the construction of Booker T. Washington High School on the property in a New Market Tax Credit (NMTC) leveraged financing transaction. Rent under this lease is \$1 per year of the term. The CEA required OSFF to then transfer the Booker T. Washington High School to the Booker T. Washington School Facility, LLC, serving as a Qualified Active Low Income Community Business (Washington QALICB) in the NMTC leveraged financing transaction. OSFF transferred the Booker T. Washington High School property to the Washington QALICB pursuant to a 65-year sub-lease.

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, by either loan or grant, as necessary, to complete the construction of Booker T. Washington High School. Pursuant to this requirement, the Orleans Parish School Board advanced \$13,868,212 to OSFF (Leveraged Loan), which OSFF then loaned to COCRF Investor 82, LLC to be used solely and exclusively to pay for construction costs of the Booker T. Washington High School. Washington QALICB completed the construction of the Booker T. Washington High School with debt and equity financing.

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. For the year ended June 30, 2021 a total of \$83,773 was paid as a subsidy.

The Leveraged Loan by OSFF to COCRF Investor 82, LLC closed in the form of a note accruing interest at 1.43% and maturing on June 13, 2047. Interest only payments are due annually on December 10 for the first seven years of the note, with principal and interest payments due annually thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2021 totaled \$198,430. The Leveraged Loan is collateralized by a first lien security interest in all of COCRF Investor 82, LLC's rights, title, and interest in its 100% membership interest in subsidiary community development entities (Sub-CDEs) whose assets consist of leasehold mortgage loans (QALICIs) to Washington QALICB financed by COCRF Investor 82, LLC, with proceeds of NMTC equity and the Leveraged Loan.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

5. **LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS** (continued)

Harriet Tubman School

In December 2017 the Orleans Parish School Board and the Recovery School District signed a cooperative endeavor agreement (CEA) to approve the transfer of land and sale of building improvements, located at 213 General Meyer, to OSFF. The sale of the building improvements and the property transfer occurred pursuant to a 99-year master lease to facilitate the design, construction, and rehabilitation of the Harriet Tubman School Facility, in a Federal Historic Rehabilitation Tax Credit (FHTC) and state historic tax credit leveraged financing transaction. Rent under this lease totaled \$84,100. The CEA required OSFF to then transfer the land and building improvements to the Tubman School Facilities, LLC through the execution of a 65-year ground lease, with Tubman School Facilities, LLC obtaining debt financing to complete the design, construction, and rehabilitation of the Harriet Tubman School Facility.

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, either by loan or grant, as necessary, to finance all or a portion of the purchase price and the costs of construction. Pursuant to this requirement, the Orleans Parish School Board advanced \$17,603,367 to OSFF (Leveraged Loan) which was loaned by OSFF to Tubman School Facilities, LLC. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the Tubman School Facilities, LLC to enable them to fulfill its lease payment obligation. For the year ended June 30, 2021 a total of \$487,754 was paid as a subsidy.

The Leveraged Loan closed in the form of a note accruing interest at 2.61% and maturing on December 27, 2052. Interest only payments were paid monthly from May 1, 2018 through July 1, 2018, with principal and interest payments due monthly thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2021 totaled \$492,364. The Leveraged Loan is collateralized by a first lien security interest in Tubman School Facilities, LLC, whose assets consist of leasehold mortgage loans with proceeds from federal and state historic tax credit equity and the Leveraged Loan.

John McDonogh School

In December 2017 the Orleans Parish School Board and the Recovery School District signed a cooperative endeavor agreement (CEA) to approve the transfer of the John McDonogh school property, located at 2426 Esplanade Avenue, to OSFF. The property transfer occurred pursuant to a 99-year master lease to facilitate the design, construction, and completion of the historic rehabilitation and renovation of the John McDonogh School in a Federal Historic Rehabilitation Tax Credit (FHTC) and state historic tax credit leveraged financing transaction. Rent under this lease totaled \$1,256,700. The CEA required OSFF to then transfer John McDonogh School to the John MC School Facility, LLC, through the execution of a 65-year ground lease, with John MC School Facility, LLC obtaining debt and equity financing to complete the construction and historic rehabilitation and renovation of John McDonogh School.

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, either by loan or grant, as necessary, to fund the construction and development of the John McDonogh School Facility. Pursuant to this requirement, the Orleans Parish School Board advanced \$30,009,029 to OSFF (Leveraged Loan), which was loaned by OSFF to John MC School Facility, LLC. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the owner to enable them to fulfill its lease payment obligation. For the year ended June 30, 2021 a total of \$832,588 was paid as a subsidy.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

5. **LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS** (continued)

John McDonogh School (continued)

The Leveraged Loan by OSFF to John MC School Facility, LLC closed in the form of a note accruing interest at 2.61% and maturing on December 27, 2052. Interest only payments were paid monthly from May 1, 2018 through August 1, 2018, with principal and interest payments due monthly thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2021 totaled \$845,765. The Leveraged Loan is collateralized by a first lien security interest in John MC School Facility, LLC, whose assets consist of leasehold mortgage loans with proceeds from federal and state historic tax credit equity and the Leveraged Loan.

6. **CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2021 are as follows:

	Restated Balance			Balance
	Beginning	Additions	Deletions	Ending
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$ 39,837,373	\$ -	\$ -	\$ 39,837,373
Construction in Progress	121,478,588	54,008,420	115,883,864	59,603,144
Total Nondepreciable Capital Assets	161,315,961	54,008,420	115,883,864	99,440,517
Depreciable Capital Assets:				
Buildings & Improvements	1,539,863,705	137,569,479		1,677,433,184
Machinery & Equipment	13,450,475	-	-	13,450,475
Total Depreciable Capital Assets	1,553,314,180	137,569,479	-	1,690,883,659
Less Accumulated Depreciation:				
Buildings & Improvements	224,232,082	42,235,740		266,467,822
Machinery & Equipment	12,706,502	402,201	-	13,108,703
Total Accumulated Depreciation	236,938,584	42,637,941	-	279,576,525
Depreciable Capital Assets, Net	1,316,375,596	94,931,538	-	1,411,307,134
Capital Assets, Net	\$ 1,477,691,557	\$ 148,939,958	\$ 115,883,864	\$ 1,510,747,651
Business-type Activities				
Non-Depreciable Capital Assets:				
Land	\$ 1,440,992	\$ -	\$ -	\$ 1,440,992
Total Nondepreciable Capital Assets	1,440,992	-	-	1,440,992
Depreciable Capital Assets:				
Buildings & Improvements	6,377,352	-	-	6,377,352
Total Depreciable Capital Assets	6,377,352	-	-	6,377,352
Less Accumulated Depreciation:				
Buildings & Improvements	1,432,297	163,298	-	1,595,595
Total Accumulated Depreciation	1,432,297	163,298	-	1,595,595
Depreciable Capital Assets, Net	4,945,055	(163,298)	-	4,781,757
Capital Assets, Net	\$ 6,386,047	\$ (163,298)	\$ -	\$ 6,222,749

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

6. **CAPITAL ASSETS** (continued)

Depreciation expense of \$42,637,941 for the year ended June 30, 2021 was charged to the following governmental functions:

Appropriations Charter Schools - Type III	\$	42,637,941
Total Depreciation Expense	\$	42,637,941

7. **SHORT-TERM BORROWINGS**

In the fiscal year beginning July 1, 2020 the Orleans Parish School Board entered into the following short-term borrowing transaction:

	\$100 Million Maximum	Total
Amount borrowed	\$ 65,000,000	<u>\$ 65,000,000</u>
Date Issued	9/22/2020	
Original Maturity Date	6/30/2021	
Date Repaid	4/30/2021	
Interest Rate	80% of 1 month LIBOR + 66 bps	
Interest Amount	\$ 475,161	\$ 475,161
Closing Costs	\$ 127,500	<u>127,500</u>
		<u>\$ 602,661</u>

The Orleans Parish School Board typically issues Revenue Anticipation Notes in the fall to provide stabilized cash flows to charter schools before receiving most of their ad valorem revenues in February or March (property taxes are due to the tax collector on January 31).

Changes in short-term borrowings during the fiscal year that ended June 30, 2021 are as follows:

Beginning balance, July 1, 2020	\$	-
Increases		65,000,000
Decreases		<u>(65,000,000)</u>
Ending balance, June 30, 2021	\$	<u>-</u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

8. GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021, all of which are associated with governmental activities:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 20,993,571	\$ -	\$ 20,993,571	\$ -	\$ -
Unamortized premium on bonds	167,383	-	167,383	-	-
Total bonds payable	21,160,954	-	21,160,954	-	-
Accrued Compensated Absences	1,298,394	181,679	-	1,480,073	446,955
Claims and judgments	34,033,205	6,224,950	685,059	39,573,096	1,237,255
Total Long-Term Debt	<u>\$ 56,492,553</u>	<u>\$ 6,406,629</u>	<u>\$ 21,846,013</u>	<u>\$ 41,053,169</u>	<u>\$ 1,684,210</u>
<u>Business-type activities:</u>					
Accrued Compensated Absences	\$ 15,132	\$ 32,654	\$ -	\$ 47,786	\$ 47,786
	<u>\$ 15,132</u>	<u>\$ 32,654</u>	<u>\$ -</u>	<u>\$ 47,786</u>	<u>\$ 47,786</u>

Compensated absences is for the maximum 25 days' sick leave payable upon the retirement of an employee or an employee entering the Deferred Retirement Option Program (DROP), or, upon the employee's death prior to retirement, payable to his/her heirs or assigns per policy GBRIB, *Sick Leave*.

Claims and judgments consist of legal liabilities as discussed below, retiree and health claims and workmen's compensation claims for the portion for which the School Board is self-insured as discussed in Note 9 – Risk Management.

Legal claims payable consists of 161 unpaid but settled claims totaling \$32,989,735 which includes \$6,123,068 of accrued interest, and 19 active matters with an estimated liability of \$5,344,106. Management and legal counsel for the Orleans Parish School Board believe that the potential claims against the Orleans Parish School Board not covered by insurance are covered by the recorded liability.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

8. **GENERAL LONG-TERM OBLIGATIONS** (continued)

Long-term liabilities are liquidated from the following funds:

Long-term Obligation	Liquidating Fund
Compensated absences	General fund
Other claims and judgments	General fund

The General Obligation Refunding Bonds and the Qualified School Construction Bonds were fully paid off during the year ended June 30, 2021. Related debt service funds were closed.

The bonds carried interest rates from 2.5% to 4.4%. The individual issues are as follows:

<u>Date of Issuance</u>	<u>Type of Debt</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Outstanding as of June 30, 2021</u>	<u>Annual Principal Installment Due for Year End June 30, 2022</u>
9/1/2010	GO Refunding	9/1/2020	2.50-5.00	\$ 97,005,000	\$ -	\$ -
12/15/2011	QSCB	2/1/2021	4.4	79,055,000	-	-
					-	-

GO Refunding - General Obligation Refunding, QSCB - Qualified School Construction Bonds

In accordance with Louisiana Revised Statute 39:562 the Orleans Parish School Board is legally restricted from incurring long-term bonded debt secured by property taxes in excess of 35 percent of the assessed value of taxable property. The statutory limit and the remaining debt margin are \$1,494,425,534. In addition, the Orleans Parish School Board is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails the tax as prescribed by LSA-RS 33:2728.25(A).

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

9. **RISK MANAGEMENT**

The Orleans Parish School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees' health; and natural disasters. During the year ended June 30, 2021 the Orleans Parish School Board purchased commercial insurance to cover its risk of loss. and workers' compensation claims arising from employment-related injuries prior to July 1, 2006. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Orleans Parish School Board's insurance coverage for each of the past three years.

Employee and Retiree Health Insurance

Internal service 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 Orleans Parish School Board offered a self-insured employee medical and health insurance plan financed solely by employees and the Orleans Parish School Board. The plan has a \$200,000 stop-loss provision, whereby any claims incurred in excess of \$200,000 for a single insured is covered by reinsurance purchased by the Orleans Parish School Board. The Orleans Parish School Board offered a fully insured plan to its active and retired employees effective September 1, 2020.

Workers' Compensation Insurance

Prior to July 1, 2006 the Orleans Parish School Board maintained a self-insured workers' compensation plan, accounted for in an internal service fund, which included the purchase of insurance for claims from employment related injuries prior to July 1, 2006 in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. At June 30, 2021 there were 15 active claims.

Self-insured litigated claims are not reported in internal service funds, but the revenues and expenses for non-litigated claims are recorded in the general fund. The estimate for litigated claim liabilities is reported in the government-wide financial statements.

A reconciliation of unpaid claims liability, including the litigated claims reserve, as of June 30, 2021 is as follows:

	Employee Health Insurance Fund	Retiree Health Insurance Fund	Workers' Compensation Fund	Litigated Claims	Total
Unpaid Claims as previously reported June 30, 2020	\$ 361,000	\$ 498,927	\$ 1,295,788	\$ 31,877,490	\$ 34,033,205
Current year claims incurred and changes in estimates	(246,531)	(87,905)	103,035	6,456,351	6,224,950
Claims paid	(114,469)	(409,022)	(161,568)	-	(685,059)
Unpaid claims as of June 30, 2021	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 1,237,255</u>	<u>\$ 38,333,841</u>	<u>\$ 39,573,096</u>

The above unpaid claims as of June 30, 2021 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.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS**

The Orleans Parish School Board is a participating employer in three cost-sharing multiple-employer defined benefit pension plans. These plans are administered by three public employee retirement systems: Teachers' retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS), and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the state legislature. Each system is administered by a separate board of trustees and all systems are component units of the state of Louisiana.

Each of the systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by contacting each system:

TRSL:
8401 United Plaza Blvd.
P. O. Box 94123
Baton Rouge, Louisiana
70804-9123
(225) 925-6446
www.trsl.org

LSERS:
8660 United Plaza Blvd.
Baton Rouge, Louisiana
70804
(225) 925-6484
www.lasers.net

LASERS
8401 United Plaza Blvd.
P. O. Box 44213
Baton Rouge, Louisiana
70804-4213
(225) 925-0185
www.lasersonline.org

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LSA-RS 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LSA-RS 11:761.

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LSA-RS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LSA-RS 11:1141.

Louisiana State Employees' Retirement System (LASERS)

The Louisiana State Employees' Retirement System (LASERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LSA-RS 11:411-414. The age and years of creditable service required in order for a member to receive retirement benefits are established by LSA-RS 11:441 and vary depending on the member's hire date, employer, and job classification.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

A brief summary of eligibility and benefits of the plans are provided in the following table:

	TRSL	LSERS	LASERS
Final average salary	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹
Years of service required and/or age eligible for benefits	30 years any age ⁵ 25 years age 55 20 years any age ² 5 years age 60 ⁷	30 years any age 25 years age 55 20 years any age ² 5-10 years age 60 ^{6,7}	30 years any age 25 years age 55 20 years any age ² 5-10 years age 60 ^{6,7}
Benefit percent per years of service	2% to 3.0% ⁴	2.5% to 3.33% ⁴	2.5% to 3.5% ³

¹ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

² With actuarial reduced benefits

³ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

⁴ Benefit percent varies depending on when hired

⁵ For school food service workers, hired on or before 6-30-15, 30 years at age 55

⁶ Five to ten years of creditable service at age 60 depending upon the plan or when hired

⁷ Hired on or after 7/1/15, age eligibility is 5 years at age 62

Cost of Living Adjustments

The pension plans in which the Orleans Parish School Board participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to these systems (TRSL, LSERS, and LASERS) if approved with a two-thirds vote of both houses of the state legislature, provided the plan meets certain statutory criteria related to funding status and interest earnings.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC). TRSL also receives a percentage of ad valorem taxes collected by parishes. The parish is not a participating employer in the pension system and is considered to be a non-employer contributing entity.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Contributions (continued)

Contributions to the plans are required and determined by state statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2021 for the Orleans Parish School Board and covered employees were as follows:

	<u>School System</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	26.00%	8.00%
Plan A	26.00%	9.10%
State Employees' Retirement System	40.70%	7.50% - 8.00%

The contributions made by the Orleans Parish School Board to each of the retirement systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Teachers' Retirement System:			
Regular Plan	\$ 4,729,010	\$ 3,926,649	\$ 5,405,827
School Employees' Retirement System	38,447	12,255	11,248
State Employees' Retirement System	218,516	212,065	354,771

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

The following schedule lists the Orleans Parish School Board's proportionate share of the net pension liability allocated by each of the pension plans based on the June 30, 2020 measurement date. The Orleans Parish School Board uses this measurement to record its net pension liability and associated amounts as of June 30, 2021 in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate. The Orleans Parish School Board's proportion of the net pension liability was based on a projection of the Orleans Parish School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

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

	Net Pension Liability at June 30, 2021 (measured as of June 30, 2020)	Rate at June 30, 2020	Increase (Decrease) to June 30, 2019 Rate
Teachers' Retirement System	\$ 33,929,225	0.30502%	-0.10439%
School Employees' Retirement System	82,073	0.01021%	-0.00385%
State Employees' Retirement System	<u>1,837,412</u>	0.02222%	-0.00454%
	<u>\$ 35,848,710</u>		

The following schedule lists each pension plan's proportionate share of recognized pension expense for the Orleans Parish School Board for the year ended June 30, 2021:

Teachers' Retirement System	\$ 2,287,747
School Employees' Retirement System	(106,162)
State Employees' Retirement System	<u>593,127</u>
	<u>\$ 2,774,712</u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

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

At June 30, 2021, the Orleans Parish School Board reported deferred outflows of resources and deferred inflows of resources related to each pension plan from the following sources:

Deferred Outflows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Changes of assumptions	\$ 2,018,453	\$ 489	\$ 5,879	\$ 2,024,821
Net difference between projected and actual earnings on pension plan investments	2,619,134	12,495	268,594	2,900,223
Changes in proportion	1,546,973	-	-	1,546,973
Differences between contributions and proportionate share of contributions	540,004	2,145	11,157	553,306
Employer contributions subsequent to the measurement date	<u>4,729,010</u>	<u>38,447</u>	<u>218,516</u>	<u>4,985,973</u>
Total	<u>\$ 11,453,574</u>	<u>\$ 53,576</u>	<u>\$ 504,146</u>	<u>\$ 12,011,296</u>

Deferred Inflows:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ (544,639)	\$ (2,020)	\$ (17,646)	\$ (564,305)
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion	(17,180,599)	(46,232)	(156,804)	(17,383,635)
Differences between contributions and proportionate share of contributions	<u>(66,556)</u>	<u>(98)</u>	<u>-</u>	<u>(66,654)</u>
Total	<u>\$ (17,791,794)</u>	<u>\$ (48,350)</u>	<u>\$ (174,450)</u>	<u>\$ (18,014,594)</u>

The Orleans Parish School Board reported a total of \$4,183,612 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in net pension liability in the year ended June 30, 2022.

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

<u>Year</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2021	\$ (4,717,530)	\$ (35,749)	\$ (111,438)	\$ (4,864,717)
2022	(2,316,405)	(4,123)	77,457	(2,243,071)
2023	(2,994,391)	3,794	83,003	(2,907,594)
2024	<u>(1,038,904)</u>	<u>2,857</u>	<u>62,158</u>	<u>(973,889)</u>
	<u>\$ (11,067,230)</u>	<u>\$ (33,221)</u>	<u>\$ 111,180</u>	<u>\$ (10,989,271)</u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions

The following schedule summarizes the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2021:

	TRSL	LSERS	LASERS																		
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020																		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal																		
Actuarial Assumptions:																					
Expected Remaining																					
Service Lives	5 years	3 years	2 years																		
Investment Rate of Return	7.45% net of investment expenses (decreased from 7.55% in 2019)	7.00% per annum	7.55% net of investment expenses (decreased from 7.60% in 2019)																		
Inflation Rate	2.3% per annum (decreased from 2.50% in 2019)	2.50% per annum	2.30% per annum (decreased from 2.50% in 2019)																		
Mortality	Active Members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females	Mortality rates based on the RP-2014 Health Annuitant Tables, RP-2014 Sex District Employee Table, RP-2014 Sex Distinct Mortality Table.	Non-disabled members - Mortality rates based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled members - Mortality rates based on the RP-2000 disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012-June 30, 2017) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.																		
Salary Increases	3.1% - 4.6% varies depending on duration of service	Salary increases were projected based on the 2013-2017 experience study 3.25%	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Member Type</th> <th style="text-align: center;">Lower Range</th> <th style="text-align: center;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
Member Type	Lower Range	Upper Range																			
Regular	3.0%	12.8%																			
Judges	2.6%	5.1%																			
Corrections	3.6%	13.8%																			
Hazardous Duty	3.6%	13.8%																			
Wildlife	3.6%	13.8%																			
Cost of Living Adjustments	None	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions (continued)

The following schedule list the methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

TRSL	LSERS	LASERS
<p>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 of 2.3% and an adjustment for the effect of rebalancing/ diversification. The resulting expected long-term rate of return was 8.17% for 2020.</p>	<p>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 longterm expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges 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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020.</p>

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the retirement systems' target asset allocations as of June 30, 2020:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	-0.59%
Domestic equity	27.00%	-	23.00%	4.60%	-	4.79%
International equity	19.00%	-	32.00%	5.54%	-	5.83%
Equity	-	39.00%	-	-	2.82%	-
Domestic fixed income	13.00%	-	6.00%	0.69%	-	1.76%
International fixed income	5.50%	-	10.00%	1.50%	-	3.98%
Fixed income	-	26.00%	-	-	0.92%	-
Risk Parity	-	-	-	-	-	4.20%
Alternatives	-	23.00%	29.00%	-	1.95%	6.69%
Alternative - private equity	25.50%	-	-	8.62%	-	-
Alternative - other equity	10.00%	-	-	4.45%	-	-
Real estate	-	12.00%	-	-	0.69%	-
Real assets	-	-	-	-	-	-
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>			

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.45%, 7.00% and 7.55%, respectively for the year ended June 30, 2020. The discount rates for TRSL, LSERS and LASERS decreased by 0.10%, 0%, and 0.05% since the prior measurement date, respectively.

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

The following table presents the Orleans Parish School Board's proportionate share of the net pension liability (NPL) using the discount rate of each retirement system as well as what the Orleans Parish School Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the retirement systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.450%	7.450%	8.450%
Share of NPL	\$ 44,291,738	\$ 33,929,225	\$ 25,206,007
LSERS			
Rates	6.000%	7.000%	8.000%
Share of NPL	\$ 107,493	\$ 82,073	\$ 60,318
LASERS			
Rates	6.550%	7.550%	8.550%
Share of NPL	\$ 2,257,893	\$ 1,837,412	\$ 1,480,587

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Payables to the Pension Plans (continued)

The Orleans Parish School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2021 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts payable and payroll deductions and withholdings payable. The balance due to each of the retirement systems at June 30, 2021 is as follows:

	June 30, 2021
TRSL	\$ 153,459
LSERS	-
LASERS	-
	\$ 153,459

11. **OTHER POSTEMPLOYMENT BENEFITS**

General Information About the Other Postemployment Benefits Plan

Plan Description. The Orleans Parish School Board provides certain continuing medical insurance for its retired employees through a single-employer defined benefit other postemployment benefits plan administered by the Orleans Parish School Board. The authority to establish or amend the obligation of the employer, employees and retirees rests with the Orleans Parish School Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). No separate report is issued on the postemployment benefit plan.

Benefits Provided. The Orleans Parish School Board offers two postemployment benefits plans depending on the retiree’s Medicare eligibility status: (1) Non-Medicare eligible retirees receive healthcare coverage (medical and prescription drugs) through a self-insured medical plan (that became fully insured effective September 1, 2020) and pay a portion of the premium cost; (2) The Orleans Parish School Board pays 100% of the cost for Medicare eligible retirees to participate in a fully insured Medicare Advantage plan provided by Humana.

Eligibility Criteria. To be eligible for retiree medical benefits in either plan, a retired employee must have met the requirements for retirement eligibility through the Teachers’ Retirement System of Louisiana as shown in the following table:

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

11. **OTHER POSTEMPLOYMENT BENEFITS** (continued)

General Information About the Other Postemployment Benefits Plan (continued)

Employee Hire Date	Age and Years of Service	Years of Service at Any Age
Before July 1, 1999	Age 60 with 5 years of service, or	20 years of service at any age
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 *
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 *
On or after July 1, 2015	Age 62 with 5 years of service, or	20 years of service at any age *

* actuarially reduced benefit

Contribution Rates for Non-Medicare Eligible Retirees. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. Non-Medicare eligible retirees and the Orleans Parish School Board contribute 75% and 25% of the premium cost for coverage, respectively. The full monthly retiree rates and employer contributions as of September 1, 2019, the start of the plan year, are as follows:

Rate Tier	Non-Medicare Premium Equivalent Rates	Retiree Share (75%)	Retiree Share with \$200 Subsidy	Employer Share (25%)
Retiree Only	\$1,316.82	\$987.62	\$787.62	\$329.21
Retiree + Spouse	\$1,852.53	\$1,389.40	\$1,189.40	\$463.13
Retiree + Child(ren)	\$2,617.86	\$1,963.40	\$1,763.40	\$654.47
Retiree + Family	\$4,152.12	\$3,114.09	\$2,914.09	\$1,038.03

Additionally, non-Medicare eligible post-65 retirees receive a \$200 monthly subsidy to further offset the cost of premiums.

Contribution Rates for Medicare-Eligible Retirees. For Medicare-eligible retirees in the fully-insured Medicare Advantage plan, the Orleans Parish School Board pays 100% of the premium cost. Monthly employer cost per retiree for the period of July 1 through December 31, 2020 is \$43.94, and from January 1 through June 30, 2021 is \$40.23. In the fiscal year ended June 30, 2021 the Orleans Parish School Board paid a total of \$48,994 for other postemployment benefits as they came due for Medicare-eligible retirees.

Employees Covered by Benefit Terms. At June 30, 2021, 428 active and retired employees were covered by the benefit terms:

Inactive employees currently receiving benefits	156
Inactive employees entitled to but not currently receiving benefits	45
Active employees	<u>227</u>
Total	<u><u>428</u></u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

11. **OTHER POSTEMPLOYMENT BENEFITS** (continued)

General Information About the Other Postemployment Benefits Plan
Total Other Postemployment Benefits Liability (continued)

The Orleans Parish School Board's total other postemployment benefits liability of \$5,746,197 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total other postemployment benefits liability as of June 30, 2021 using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified:

Actuarial cost method	Entry age normal
Valuation date	June 30, 2021
Measurement date	June 30, 2020
Inflation	2.50%
Salary increases	3.5% per annum
Discount rate	2.16%, changed from 2.21% for 2020
Discount rate index	Bond Buyer 20-Year General Obligation Index
Mortality rates	Pub-2010 generational table scaled using MP-2019
Healthcare cost trend rates	The Current Trend rate includes the following: Pre-Medicare Medical and Rx Benefits 6.00% Post-Medicare 5.50% Stop Loss Fees 6.50% Select and 4.50% Ultimate Administrative fees 4.50% Select and 4.50% Ultimate Select trend rates are reduced 0.5% each year until reaching the ultimate trend rate
Experience study and claims costs	Expected retiree claim costs were developed using 24 months of historical claim experience through August 2020.
Participation	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 25% of all pre-65 employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan, with 70% remaining on the plan post-65. This assumes that a one-time irrevocable election to participate is made at retirement.
Marriage	The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided.

Changes in Total Other Postemployment Benefits Liability

Balance at June 30, 2020	\$ 5,991,529
Changes for the year:	
Service Cost	36,038
Interest	128,377
Differences in expected and actual experience	-
Changes in assumptions	27,591
Benefit payments	(437,338)
Net changes	<u>(245,332)</u>
Balance at June 30, 2021	<u>\$ 5,746,197</u>

The amount due within one year for the total other postemployment benefits liability is estimated to be \$459,000 and is based on the annual benefit payments.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

11. **OTHER POSTEMPLOYMENT BENEFITS** (continued)

Sensitivity to the Total Other Postemployment Benefits Liability to Changes in the Discount Rate. The following table presents the Orleans Parish School Board's total other postemployment benefits liability using the current discount rate as well as what the Orleans Parish School Board's total other postemployment benefits liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used:

	<u>1.0% Decrease</u> <u>(1.16%)</u>	<u>Current Discount</u> <u>(2.16%)</u>	<u>1.0% Increase</u> <u>(3.16%)</u>
Total OPEB liability	<u>\$ 6,360,000</u>	<u>\$ 5,746,197</u>	<u>\$ 5,230,000</u>

Sensitivity of the Total Other Postemployment Benefits Liability to Changes in the Healthcare Cost Trend Rate. The following table presents the Orleans Parish School Board's total other postemployment benefits liability using the current healthcare cost trend rate as well as what the Orleans Parish School Board's total other postemployment benefits liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate used:

	<u>1.0% Decrease</u>	<u>Current Trend</u> <u>(See actuarial</u> <u>assumptions)</u>	<u>1.0% Increase</u>
Total OPEB liability	<u>\$ 5,197,000</u>	<u>\$ 5,746,197</u>	<u>\$ 6,390,000</u>

Other Postemployment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to Other Postemployment Benefits

For the year ended June 30, 2021 the Orleans Parish School Board recognized other postemployment benefits expense of \$164,015 and reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ (700,631)
Changes in assumptions	809,127	(103,025)
Total	<u>\$ 809,127</u>	<u>\$ (803,656)</u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

11. **OTHER POSTEMPLOYMENT BENEFITS** (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the other postemployment benefits liability will be recognized in other postemployment benefits expense as follows:

Year ending		
June 30:		
2022	\$	(400)
2023		(400)
2024		(400)
2025		(400)
2026		(400)
2027 - 2031		5,819
2032		1,652
	<u>\$</u>	<u>5,471</u>

12. **INTERFUND RECEIVABLES AND PAYABLES**

The Orleans Parish School Board pools its internal cash and investments in order to maximize investment opportunities and reports the combined amount as a single line item, Equity in Pooled Cash, across all funds. Pooled cash and investments function as both Due to and from Other Funds and as a line of credit for individual funds, which are permitted to overdraw their equity in the pool; overdrawn amounts are listed as a liability. Pooled cash and investments in each fund as of June 30, 2021 is shown in the following table:

	Receivable Fund	Payable Fund
Governmental activities:		
General Fund	\$ 53,344,807	4,726,341
Pass-through Fund	-	30,558,059
ESSA	-	2,353,730
Hurricane Katrina Restoration	-	4,455,189
Facilities Preservation	2,249,229	-
Nonmajor Governmental	-	6,031,436
Business-type activities:		
Enterprise Funds	-	3,403,906
Internal Service Funds	-	4,065,375
Total	<u>\$ 55,594,036</u>	<u>\$ 55,594,036</u>

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

13. **INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2021 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental activities:		
General Fund	\$ 8,328,269	7,230,867
Pass-through Fund	11,073,653	4,544,010
ESSA	-	661,641
Facilities Preservation	602,512	4,831,360
Nonmajor Governmental	2,985,311	6,328,168
Business-type activities:		
Internal Service Funds	606,301	-
Total	<u>\$ 23,596,046</u>	<u>\$ 23,596,046</u>

The purpose of interfund transfers generally are (1) to transfer indirect costs to the general fund from the special revenue funds, and (2) to transfer supplemental local funds for program operations from the general fund to other programs.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

14. **LITIGATION AND CONTINGENCIES**

Claims

The Orleans Parish 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 as long-term obligations. Management and legal counsel for the Orleans Parish School Board believe that the potential claims against the Orleans Parish School Board not covered by insurance are covered by the recorded liability, which totaled \$36,711,360 at June 30, 2021.

Federal and State Grants

In the normal course of operations, the Orleans Parish 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.

Federal Emergency Management Agency (FEMA)

On August 18, 2010 the Orleans Parish School Board was awarded \$426 million from FEMA to repair and replace damaged school facilities and contents as a result of Hurricane Katrina, which occurred on August 29, 2005.

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 Orleans Parish School Board and the Recovery School District 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 provided maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish. The Orleans Parish School Board has been issued 998 project worksheets which authorized or obligated \$375 million. As of June 30, 2021, the Orleans Parish School Board has been reimbursed \$350 million. The Orleans Parish School Board plans on using the majority of the remaining authorized monies to fund Phase Three of the Master Plan.

Construction Contracts

At June 30, 2021 the Orleans Parish School Board had ongoing construction projects for major school renovations at year end. The Orleans Parish School Board has purchase orders and commitments of \$15.2 million related to these projects. These commitments will be paid out of the various capital projects funds.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

15. **LEASES - LESSOR**

The Orleans Parish School Board owns two buildings, located at 2401 Westbend Parkway and 2405 Jackson Avenue in New Orleans, portions of which are leased to tenants and the portion it occupies it charges itself internally; this rental activity is accounted for in the Timbers enterprise fund. For the year ended June 30, 2021 lease revenues totaled \$934,359. Original leases are generally for a three-year term with options to renew for an additional one-year period. Additional charges and increases to base rent are determined at the end of the calendar year when the costs (real estate taxes and operating costs) of the School Board exceed rent charged. All current leases are on a one-year term.

16. **TAX REVENUES ABATED**

State Industrial Ad Valorem Tax Exemption Program

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Constitution Article 7, Section 21) is a state incentive program dating back to the 1930s which abates local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. The Louisiana Department of Economic Development administers the incentive program. Until July 2016 100% of qualified property was exempted for five years and could be renewed for 100% exemption for the next five years. The exemption of these local ad valorem taxes was granted by the state Board of Commerce and Industry.

In June 2016 the incentive program was changed to (1) allow a maximum exemption of 100% for the first five years, which could be renewed at 80% for the next three years, and (2) provide for input from and establish a procedure for local taxing bodies to approve or disapprove applications for exemption before being approved by the state Board of Commerce and Industry.

In June 2018 the incentive program was further changed to allow a maximum exemption of 80% for an initial term of five years and the option to renew at 80% for an additional five years.

On July 19, 2018 the Orleans Parish School Board adopted Resolution 09-18, which was amended on September 20, 2018, requiring that all four of the following criteria be met for the Orleans Parish School Board to approve any application for the Industrial Tax Exemption Program:

1. The business is located in a distressed region (specifically defined); and
2. The jobs created as a result of the capital project must meet the job and payroll requirements for eligibility for the Louisiana Quality Jobs Rebate program; and
3. At least 35% of the new hires will reside in Orleans parish; and
4. Construction on the capital project for which a tax exemption is being sought has not commenced prior to gaining approval from the Orleans Parish School Board.

For the fiscal year ended June 30, 2021, \$2,928,242 in Orleans Parish School Board ad valorem tax revenues were abated by the State of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program on 56 active contracts.

City of New Orleans Restoration Tax Abatement Program

The City of New Orleans maintains a Restoration Tax Abatement program that provides commercial property owners 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 prior year to the commencement of the project for five years after completion of the work.

ORLEANS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

16. **TAX REVENUES ABATED** (continued)

For the fiscal year ended June 30, 2021, \$2,156,425 in Orleans Parish School Board ad valorem tax revenues were abated by the New Orleans City Council through the Restoration Tax Abatement program on 35 active contracts.

17. **PRIOR PERIOD ADJUSTMENTS**

The Orleans Parish School Board previously reported capital assets related to certain investments in loans to tax credit entities formed for the purpose of capital improvements to facilities as described in Note 5. The facilities are not properly recorded as a capital asset until the tax credit entity is unwound. When the tax credit entity is unwound the facility is returned to the control of the Orleans Parish School Board and recorded as a capital assets.

The Orleans Parish School Board reported a prior period adjustment in governmental activities for the fiscal year ended June 30, 2020 as follows:

	Governmental Activities
Net Position, June 30, 2020, as previously reported	\$ 1,768,391,508
Remove capital assets and related accumulated depreciation associated with tax credit projects	(240,437,766)
Net Position, June 30, 2021, as restated	\$ 1,527,953,742

18. **SUBSEQUENT EVENTS**

On September 29, 2021, the Orleans Parish School Board approved the issuance of Revenue Anticipation Notes not to exceed \$65,000,000 which are necessary to provided stabilized cash flows to charter schools and will be repaid from ad valorem tax proceeds.

On August 29, 2021, the Orleans Parish School Board and its facilities were impacted by Hurricane Ida. Management estimates damages to be approximately \$15 million. In August 2021, the Board appropriated an amount not to exceed \$15 million to procure a contractor to make these repairs. However, the extent of the damages is unknown as building assessments are ongoing. All properties are insured, and the policy deductible maximum is \$12.5 million. However, the effective lease agreements with the charter operators establishes that they are responsible for the deductible for each school they operate, and the School Board is only responsible for vacant properties and its main offices which limits its financial exposure. In addition, the Federal government has declared that a major disaster exists in the State of Louisiana and ordered federal aid to supplement state and local recovery efforts. With this signed FEMA declaration any uncovered expenses for the first 30 days are 100% reimbursable and the School Board will be making claims for these costs.

ORLEANS PARISH SCHOOL BOARD

**SCHEDULE OF CHANGES IN TOTAL OTHER
POST-EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2021**

Financial statement reporting date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	\$ 36,038	\$ 31,740	\$ 27,833	\$ 26,796
Interest	128,377	212,890	234,061	246,463
Difference between actual and expected experience	-	(845,093)	-	-
Change in assumptions	27,591	768,976	209,614	(172,352)
Benefit payments	(437,338)	(455,628)	(426,237)	(418,798)
Net change in total OPEB liability	(245,332)	(287,115)	45,271	(317,891)
Total OPEB liability - beginning	5,991,529	6,278,644	6,233,373	6,551,264
Total OPEB liability - ending	<u>\$ 5,746,197</u>	<u>\$ 5,991,529</u>	<u>\$ 6,278,644</u>	<u>\$ 6,233,373</u>
Covered employee payroll	\$ 16,594,000	\$ 16,110,326	\$ 21,296,000	\$ 20,576,287
Total OPEB liability as a percentage of covered payroll	34.63%	37.19%	29.48%	30.29%

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

ORLEANS PARISH SCHOOL BOARD

**SCHEDULE OF THE SCHOOL BOARD'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY FOR THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2021 (*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Teachers Retirement System of Louisiana						
	2021	0.3050%	\$ 33,929,225	\$ 15,042,907	225.5497%	65.61%
	2020	0.4094%	40,632,807	20,230,440	200.8498%	68.57%
	2019	0.5245%	51,550,913	23,859,715	216.0584%	68.17%
	2018	0.4885%	50,084,418	28,475,489	175.8861%	65.55%
	2017	0.5741%	67,384,976	28,825,542	233.7683%	59.90%
	2016	0.6096%	65,549,001	27,306,350	240.0504%	62.50%
	2015	0.5878%	60,078,728	26,191,785	229.3800%	63.70%
Louisiana School Employees Retirement System						
	2021	0.0102%	82,073	41,682	196.9027%	69.67%
	2020	0.0141%	98,457	40,171	245.0947%	73.49%
	2019	0.0276%	184,152	33,148	555.5448%	74.44%
	2018**	0.0624%	399,487	130,747	305.5420%	75.03%
Louisiana State Employees Retirement System						
	2021	0.0222%	1,837,412	522,650	351.5569%	58.00%
	2020	0.0268%	1,938,666	936,072	207.1065%	62.90%
	2019	0.0079%	540,002	256,510	210.5189%	64.30%
	2018	0.1757%	1,236,441	371,665	332.6762%	62.54%
	2017	0.1772%	1,391,786	385,050	361.4559%	57.70%
	2016	0.1355%	921,809	321,035	287.1366%	62.70%
	2015	0.1314%	821,567	265,843	309.0422%	65.00%

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

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

(**) The School Board did not start to recognize its proportionate share of the net pension liability due to immateriality until 2017.

ORLEANS PARISH SCHOOL BOARD

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Pension Plan:</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll³</u>	<u>Contributions as a % of Covered Payroll</u>
Teachers Retirement System of Louisiana						
	2021	\$ 4,729,010	\$ 4,729,010	-	\$ 17,553,155	26.9411%
	2020	3,926,649	3,926,649	-	15,042,907	26.1030%
	2019	5,405,827	5,405,827	-	20,230,440	26.7213%
	2018	6,345,018	6,345,018	-	23,859,715	26.5930%
	2017	7,345,329	7,345,329	-	28,475,489	25.7953%
	2016	7,655,504	7,655,504	-	28,825,542	26.5581%
	2015	7,683,825	7,683,825	-	27,306,350	28.1393%
Louisiana School Employees Retirement System						
	2021	38,447	38,447	-	133,961	28.7001%
	2020	12,255	12,255	-	41,682	29.4012%
	2019	11,248	11,248	-	40,171	28.0003%
	2018	9,148	9,148	-	33,148	27.5974%
	2017*	35,769	35,769	-	130,747	27.3574%
Louisiana State Employees Retirement System						
	2021	218,516	218,516	-	550,790	39.6732%
	2020	212,065	212,065	-	522,650	40.5750%
	2019	354,771	354,771	-	936,072	37.9000%
	2018	102,989	102,989	-	256,510	40.1501%
	2017	133,222	133,222	-	371,665	35.8446%
	2016	143,239	143,239	-	385,050	37.2001%
	2015	118,394	118,394	-	321,035	36.8788%

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

(*)The School Board did not start to recognize its proportionate share of the net pension liability due to immateriality until 2017.

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll

² Actual employer contributions remitted to Retirement Systems

³ Covered payroll amount for each of the fiscal year ended June 30

ORLEANS PARISH SCHOOL BOARD

BUDGETARY COMPARISON SCHEDULE DESCRIPTIONS

MAJOR FUNDS WITH A LEGALLY ADOPTED ANNUAL BUDGET

GENERAL FUND The general fund, the main operating fund, is used to account for and report all financial resources not accounted for and reported in another fund.

REVENUE PASS-THROUGH FUND The Revenue Pass-Through Fund is a special revenue fund established to account for the collection of Minimum Foundation Program unrestricted grant funds from the state, ad valorem taxes, and sales taxes, which are then distributed to charter schools per LSA-RS 17:3995.

EVERY STUDENT SUCCEEDS ACT (ESSA) To provide opportunities for eligible children served to acquire the knowledge and skills to meet the challenging State performance standards.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 1.1

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Local sources:				
Ad valorem taxes	\$ 6,690,318	\$ 6,690,318	\$ 2,828,944	\$ (3,861,374)
Sales and use taxes	-	-	2,262,748	2,262,748
Earnings on investments	600,000	600,000	140,579	(459,421)
Other	21,158,539	21,158,539	18,271,807	(2,886,732)
State sources:				
Equalization - Minimum Foundation	5,505,697	5,505,697	4,416,489	(1,089,208)
Other	3,371,000	3,371,000	2,989,922	(381,078)
Federal sources:	-	-	14,178,212	14,178,212
TOTAL REVENUES	37,325,554	37,325,554	45,088,701	7,763,147
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular programs	3,873,117	3,873,117	3,255,316	617,801
Special education	1,109,583	1,109,583	1,952,649	(843,066)
Other Instructional programs	2,807,196	2,807,196	2,584,573	222,623
Special programs	-	-	642	(642)
Support: services:				
Student services	6,243,461	6,243,461	6,227,446	16,015
Instructional staff support	1,707,913	1,707,913	1,685,249	22,664
General administration	8,597,320	8,597,320	6,318,394	2,278,926
School administration	1,578,454	1,578,454	1,215,257	363,197
Business services	2,661,719	2,661,719	3,835,886	(1,174,167)
Plant services	11,074,318	11,074,318	10,626,941	447,377
Student transportation services	86,000	86,000	960	85,040
Central services	3,335,734	3,335,734	3,080,388	255,346
Food services	-	-	28,442	(28,442)
Type III Charter Schools	-	-	1,553,479	(1,553,479)
Other	-	-	93	(93)
Debt service:				
Interest and fiscal changes	50,000	50,000	-	50,000
TOTAL EXPENDITURES	43,124,815	43,124,815	42,365,715	759,100
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,799,261)	\$ (5,799,261)	\$ 2,722,986	\$ 8,522,247

(continued)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 1.1

<u>OTHER FINANCING SOURCES (USES)</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>(NEGATIVE)</u>
Transfers in	\$ 6,734,419	\$ 6,734,419	\$ 8,328,269	\$ 1,593,850
Transfers out	-	-	(7,230,867)	(7,230,867)
Insurance recoveries	-	-	22,339	22,339
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,734,419</u>	<u>6,734,419</u>	<u>1,119,741</u>	<u>(5,614,678)</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 935,158	 935,158	 3,842,727	 2,907,569
 FUND BALANCES - BEGINNING	 <u>50,133,501</u>	 <u>50,133,501</u>	 <u>48,049,353</u>	 <u>(2,084,148)</u>
FUND BALANCES - ENDING	<u>\$ 51,068,659</u>	<u>\$ 51,068,659</u>	<u>\$ 51,892,080</u>	<u>\$ 823,421</u> (concluded)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PASS-THROUGH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 1.2

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Local sources:				
Ad valorem taxes	\$ 262,301,148	\$ 262,301,148	\$ 163,835,697	\$ (98,465,451)
Sales and use taxes	-	-	104,601,855	104,601,855
State sources:				
Equalization - Minimum Foundation	185,349,844	185,349,844	196,886,690	11,536,846
TOTAL REVENUES	447,650,992	447,650,992	465,324,242	17,673,250
<u>EXPENDITURES</u>				
Support: services:				
General administration	-	-	8,232,436	(8,232,436)
Appropriations - Charter Schools and OJJ:				
Type II Charter Schools and OJJ	-	-	11,821,380	(11,821,380)
Type III Charter Schools	447,650,992	447,650,992	451,800,069	(4,149,077)
TOTAL EXPENDITURES	447,650,992	447,650,992	471,853,885	(24,202,893)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(6,529,643)	(6,529,643)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	11,073,653	11,073,653
Transfers out	-	-	(4,544,010)	(4,544,010)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	6,529,643	6,529,643
<u>NET CHANGE IN FUND BALANCES</u>	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

ESSA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 1.3

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Federal sources:	\$ 8,775,628	\$ 8,775,628	\$ 9,120,071	\$ 344,443
TOTAL REVENUES	8,775,628	8,775,628	9,120,071	344,443
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Special education	-	-	12,702	(12,702)
Other Instructional programs	-	-	20,023	(20,023)
Special programs	8,086,544	8,086,544	-	8,086,544
Support: services:				
Student services	-	-	189,978	(189,978)
Instructional staff support	39,008	39,008	353,217	(314,209)
Business services	-	-	1,636	(1,636)
Appropriations - Charter Schools and OJJ:				
Type III Charter Schools	-	-	4,353,298	(4,353,298)
Other	-	-	3,527,576	(3,527,576)
TOTAL EXPENDITURES	8,125,552	8,125,552	8,458,430	(332,878)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 650,076	\$ 650,076	\$ 661,641	\$ 11,565
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(650,076)	(650,076)	(661,641)	(11,565)
TOTAL OTHER FINANCING SOURCES (USES)	(650,076)	(650,076)	(661,641)	(11,565)
<u>NET CHANGE IN FUND BALANCES</u>	-	-	-	-
FUND BALANCES				
- BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

a. CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO HEALTH PLAN

Benefit Changes.

Measurement date

6/30/2021	There were no changes to the benefit terms that affected the total OPEB liability
6/30/2020	There were no changes to the benefit terms that affected the total OPEB liability

Changes of Assumptions.

The changes in assumptions balance was a result of changes of the following:

Discount rate assumption		
<u>Measurement Date</u>	<u>Rate</u>	<u>Change</u>
6/30/2021	2.16%	-0.05%
6/30/2020	2.21%	-1.29%
6/30/2019	3.50%	-0.37%
6/30/2018	3.87%	

Salary rate assumption		
<u>Measurement Date</u>	<u>Rate</u>	<u>Change</u>
6/30/2021	3.50%	-
6/30/2020	3.50%	-
6/30/2019	3.50%	-

Mortality	
<u>Measurement Date</u>	<u>Table Used:</u>
6/30/2021	Pub-2010 generational table scaled using MP-2019 and applied on a gender-specific basis.
6/30/2020	Pub-2010 generational table scaled using MP-2019 and applied on a gender-specific basis.
6/30/2019	MP-2019 and applied on a gender-specific basis.

Healthcare cost trend rates	
<u>Measurement Date</u>	<u>Rates Used:</u>
6/30/2021	6.00%/5.50% for pre-Medicare Medical and Rx Benefits/Medicare claims based on the current HCA Consulting trend study reduced .5% each year until reaching the ultimate rate of 4.5%.
6/30/2020	6.50%/5.50% for pre-Medicare Medical and Rx Benefits/Medicare claims based on the current HCA Consulting trend study reduced .5% each year until reaching the ultimate rate of 4.5%.
6/30/2019	6.00%/5.00% for pre-Medicare Medical and Rx Benefits/Medicare claims based on the current HCA Consulting trend study reduced .5% each year until reaching the ultimate rate of 4.5%.

ORLEANS PARISH SCHOOL BOARD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

b. CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLANS

Changes of Benefit Terms include:

Following is a listing of changes in benefit terms, as applicable, for the three pension plans for the years presented.

Teachers Retirement System of Louisiana and Louisiana State Employees' Retirement System (TRSL)

2015 – A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session

2016 – Members employed on or after July 1, 2015 – can retire at age 62 with a 2.5% benefit factor with at least 5 years of service credit or at any age after 20 years of service credit (actuarially reduced)

2017 – A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session

Louisiana School Employees Retirement System (LSERS)

2016 – Act 93 of the 2016 provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

Louisiana State Employees' Retirement System (LASERS)

2015 – A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session

2015 – Improved benefits for certain members employed by the Office of Adult and Parole within the Department of Public Safety and Corrections per Act 852 of 2014

2017 – A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session

2017 – Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015

ORLEANS PARISH SCHOOL BOARD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

b. CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED PENSION PLANS (continued)

Changes of Assumptions

The following changes were made to the pension plans identified in the tables below:

<u>Year (*)</u>	<u>Discount rate:</u>		<u>Inflation rate:</u>	
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>
TRSL				
2020	7.450%	-0.100%	2.300%	-0.20%
2019	7.550%	-0.100%	2.500%	-
2018	7.650%	-0.050%	2.500%	-
2017	7.700%	-0.050%	2.500%	-
2016	7.750%	-	2.500%	-
2015	7.750%		2.500%	
LSERS				
2020	7.000%	0.000%	2.500%	-
2019	7.000%	-0.062%	2.500%	-
2018	7.063%	-0.063%	2.500%	-0.13%
2017	7.125%	-	2.625%	-
2016	7.125%	0.125%	2.625%	-0.13%
2015	7.000%		2.750%	
LASERS				
2020	7.550%	-0.050%	2.300%	-0.20%
2019	7.600%	-0.050%	2.500%	-0.25%
2018	7.650%	-0.050%	2.750%	-
2017	7.700%	-0.050%	2.750%	-0.25%
2016	7.750%	-	3.000%	-
2015	7.750%		3.000%	

ORLEANS PARISH SCHOOL BOARD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

b. CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLANS (continued)

Changes of Assumptions (continued)

Salary increases:

<u>Year (*)</u>	<u>Range</u>
TRSL	
2020	3.10 to 4.60% for various member types
2019	No change
2018	3.30 to 4.80% for various member types
2017	3.50 to 10.0% for various member types
2016	3.50 to 10.0% for various member types
LSERS	
2020	No change
2019	No change
2018	3.25%
2017	3.075% to 5.375%
2016	3.200% to 5.500%
LASERS	
2020	2.60% to 13.80% for various member types
2019	No change
2018	2.80% to 14.30% for various member types
2017	2.80% to 14.30% for various member types
2016	3.00% to 14.50% for various member types

(*) The information is for the measurement date of the liability

Mortality table:

TRSL

2019/20 - Active Members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.

Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.

Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females

2018 – Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.

Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females.

Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.

These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

2017 – Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.

ORLEANS PARISH SCHOOL BOARD

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

b. CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED BENEFIT PENSION PLANS (continued)

LSERS

2018/19/20 – RP-2014 Healthy Annuitant, Sex Distinct Employee, Sex Distinct Disabled Tables
2017 – RP-2000 Sex Distinct Mortality and Disabled Lives Mortality Tables

LASERS

2020 - Non-disabled members - Mortality rates based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.
Disabled members - Mortality rates based on the RP-2000 disabled Retiree Mortality Table, with no projection for mortality improvement.

2019 - Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.
Disabled members - Mortality rates based on the RP-2000 disabled Retiree Mortality Table, with no projection for mortality improvement.

2018 – Non-disabled members - RP-2000 Combined Healthy Mortality Table with mortality projected to 2015.
Disabled members - Mortality rates based on the RP-2000 disabled Retiree Mortality Table, with no projection for mortality improvement.

c. GENERAL BUDGET POLICIES

The School Board follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

State statute requires budgets be adopted for the general fund and all special revenue funds.

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

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the School Board. All budget revisions are approved by the School Board.

The budgets are prepared under the modified accrual basis of accounting. The level of budgetary control is established by function within each fund.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - BY FUND TYPE
JUNE 30, 2021

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
Cash and cash equivalents	\$ 459,682	\$ -	\$ 2,021,473	\$ 2,481,155
Equity in pooled assets	11,438,214	-	19,692,782	31,130,996
Receivables	4,208,199	-	1,550,239	5,758,438
Inventories	49,754	-	-	49,754
Prepaid items	-	-	51,000	51,000
TOTAL ASSETS	<u>\$ 16,155,849</u>	<u>\$ -</u>	<u>\$ 23,315,494</u>	<u>\$ 39,471,343</u>
 Liabilities:				
Accounts and other payables	750,359	-	362,882	1,113,241
Interfund payables	3,835,904	-	2,195,532	6,031,436
Unearned revenues	91,307	-	-	91,307
TOTAL LIABILITIES	<u>4,677,570</u>	<u>-</u>	<u>2,558,414</u>	<u>7,235,984</u>
 Fund balances:				
Nonspendable	49,754	-	51,000	100,754
Restricted	11,374,425	-	13,364,100	24,738,525
Committed	54,100	-	7,341,980	7,396,080
TOTAL FUND BALANCES	<u>11,478,279</u>	<u>-</u>	<u>20,757,080</u>	<u>32,235,359</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,155,849</u>	<u>\$ -</u>	<u>\$ 23,315,494</u>	<u>\$ 39,471,343</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
<u>REVENUES</u>				
Local sources:				
Sales and use taxes	\$ 5,263,440	\$ -	\$ 10,932,999	\$ 16,196,439
Earnings on investments	-	1,679,027	-	1,679,027
Food Services	12,578	-	-	12,578
Other	96,478	-	1,500,000	1,596,478
State sources:				
Other	676,557	-	-	676,557
Federal sources	12,080,222	-	-	12,080,222
TOTAL REVENUES	18,129,275	1,679,027	12,432,999	32,241,301
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular programs	1,606,059	-	500,527	2,106,586
Special education	818,735	-	-	818,735
Special programs	29,770	-	-	29,770
Support services:				
Student services	2,246,843	-	-	2,246,843
Instructional staff support	789,028	-	-	789,028
General administration	24,999	-	171,217	196,216
School administration	2,129,289	-	-	2,129,289
Business services	20,113	-	-	20,113
Plant services	384,214	-	382,901	767,115
Central services	151,470	-	2,274	153,744
Food services	4,004,199	-	-	4,004,199
Community service programs	(25)	-	-	(25)
Appropriations - Charter Schools and OJJ:				
Type III Charter Schools	4,842,018	-	-	4,842,018
Capital Outlay:				
Facilities acquisition and construction	-	-	1,131,625	1,131,625
Debt service:				
Principal	-	20,993,571	-	20,993,571
Interest and fiscal charges	-	444,248	-	444,248
TOTAL EXPENDITURES	17,046,712	21,437,819	2,188,544	40,673,075
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,082,563	\$ (19,758,792)	\$ 10,244,455	\$ (8,431,774)

(continued)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	Exhibit 3 <u>TOTAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	\$ -	\$ -	\$ 2,985,311	\$ 2,985,311
Transfers out	(1,240,345)	(3,587,823)	(1,500,000)	(6,328,168)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,240,345)</u>	<u>(3,587,823)</u>	<u>1,485,311</u>	<u>(3,342,857)</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 (157,782)	 (23,346,615)	 11,729,766	 (11,774,631)
 FUND BALANCES - BEGINNING	 <u>11,636,061</u>	 <u>23,346,615</u>	 <u>9,027,314</u>	 <u>44,009,990</u>
 FUND BALANCES - ENDING	 <u>\$ 11,478,279</u>	 <u>\$ -</u>	 <u>\$ 20,757,080</u>	 <u>\$ 32,235,359</u> (concluded)

ORLEANS PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS

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

INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) To seek out and identify every child within the jurisdiction of the School Board who is suspected of being an exceptional child and in need of special education and related services; and to provide individualized education programs for those in need of specially designed instruction.

MISCELLANEOUS FEDERAL FUNDS To account for various smaller federal grants for which expenditures are legally restricted to specific purposes.

MISCELLANEOUS STATE AND LOCAL FUNDS To account for various smaller state and local grants for which the expenditures are legally restricted or committed to specified purposes.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

Exhibit 4

	SCHOOL FOOD SERVICE	IDEA	MISCELLANEOUS FEDERAL	STATE AND LOCAL GRANTS	TOTAL
<u>ASSETS</u>					
Cash and cash equivalents	\$ 459,682	\$ -	\$ -	\$ -	\$ 459,682
Equity in pooled assets	2,436,020	-	696,564	8,305,630	11,438,214
Receivables	443,739	1,232,517	2,522,764	9,179	4,208,199
Inventories	49,754	-	-	-	49,754
TOTAL ASSETS	<u>\$ 3,389,195</u>	<u>\$ 1,232,517</u>	<u>\$ 3,219,328</u>	<u>\$ 8,314,809</u>	<u>\$ 16,155,849</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts and other payables	\$ 399,123	\$ -	\$ 44,376	\$ 306,860	\$ 750,359
Interfund payables	-	1,232,517	2,500,514	102,873	3,835,904
Unearned revenues	-	-	-	91,307	91,307
TOTAL LIABILITIES	<u>399,123</u>	<u>1,232,517</u>	<u>2,544,890</u>	<u>501,040</u>	<u>4,677,570</u>
Fund balances:					
Nonspendable	49,754	-	-	-	49,754
Restricted	2,886,218	-	674,438	7,813,769	11,374,425
Committed	54,100	-	-	-	54,100
TOTAL FUND BALANCES	<u>2,990,072</u>	<u>-</u>	<u>674,438</u>	<u>7,813,769</u>	<u>11,478,279</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,389,195</u>	<u>\$ 1,232,517</u>	<u>\$ 3,219,328</u>	<u>\$ 8,314,809</u>	<u>\$ 16,155,849</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 5

	SCHOOL FOOD SERVICE	IDEA	MISCELLANEOUS FEDERAL	STATE AND LOCAL GRANTS	TOTAL
<u>REVENUES</u>					
Local sources:					
Sales and use taxes	\$ -	\$ -	\$ -	\$ 5,263,440	\$ 5,263,440
Food Services	12,578	-	-	-	12,578
Other	36,428	-	-	60,050	96,478
State sources:					
Other	-	-	-	676,557	676,557
Federal sources	3,341,713	3,570,283	5,168,226	-	12,080,222
TOTAL REVENUES	3,390,719	3,570,283	5,168,226	6,000,047	18,129,275
<u>EXPENDITURES</u>					
Current:					
Instruction:					
Regular programs	-	-	-	1,606,059	1,606,059
Special education	-	771,742	16,268	30,725	818,735
Special programs	-	-	-	29,770	29,770
Support services:					
Student services	-	2,203,351	14,913	28,579	2,246,843
Instructional staff support	-	320,588	-	468,440	789,028
General administration	-	-	-	24,999	24,999
School administration	-	-	-	2,129,289	2,129,289
Business services	-	-	-	20,113	20,113
Plant services	-	-	-	384,214	384,214
Central services	-	-	-	151,470	151,470
Food services	4,000,917	-	-	3,282	4,004,199
Community service programs	-	-	-	(25)	(25)
Appropriations - Charter Schools and OJJ:					
Type III Charter Schools	-	13,502	4,181,730	646,786	4,842,018
Other	-	-	-	-	-
TOTAL EXPENDITURES	4,000,917	3,309,183	4,212,911	5,523,701	17,046,712
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (610,198)	\$ 261,100	\$ 955,315	\$ 476,346	\$ 1,082,563

(continued)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 5

	SCHOOL FOOD SERVICE	IDEA	MISCELLANEOUS FEDERAL	STATE AND LOCAL GRANTS	TOTAL
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers out	\$ -	\$ (261,100)	\$ (979,245)	\$ -	\$ (1,240,345)
TOTAL OTHER FINANCING SOURCES (USES)	-	(261,100)	(979,245)	-	(1,240,345)
<u>NET CHANGE IN FUND BALANCES</u>	(610,198)	-	(23,930)	476,346	(157,782)
FUND BALANCES - BEGINNING	3,600,270	-	698,368	7,337,423	11,636,061
FUND BALANCES - ENDING	<u>\$ 2,990,072</u>	<u>\$ -</u>	<u>\$ 674,438</u>	<u>\$ 7,813,769</u>	<u>\$ 11,478,279</u> (concluded)

ORLEANS PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS DESCRIPTIONS

The debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs. These funds reflect the debt service activity of administrative districts created by the School Board.

GENERAL OBLIGATION BONDS A debt service fund established to account for the accumulation of resources for, and the payment of long-term debt principal, interest, and related costs on the general obligation bonds issued by the Orleans Parish School Board in September 2010.

QSCB FUND *Qualified School Construction Bonds (QSCB) Fund*, a 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 Qualified School Construction bonds issued by the Orleans Parish School Board in December 2011.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

Exhibit 6

	GENERAL OBLIGATION BONDS	QSCB FUND	TOTAL
<u>ASSETS</u>			
Equity in pooled assets	\$ -	\$ -	\$ -
TOTAL ASSETS	\$ -	\$ -	\$ -
<u>LIABILITIES AND FUND BALANCES</u>			
TOTAL LIABILITIES	\$ -	\$ -	\$ -
Fund balances:			
Restricted	-	-	-
TOTAL FUND BALANCES	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 7

	GENERAL OBLIGATION BONDS	QSCB FUND	TOTAL
<u>REVENUES</u>			
Local sources:			
Earnings on investments	\$ -	\$ 1,679,027	\$ 1,679,027
TOTAL REVENUES	-	1,679,027	1,679,027
<u>EXPENDITURES</u>			
Debt service:			
Principal	9,700,000	11,293,571	20,993,571
Interest and fiscal charges	242,500	201,748	444,248
TOTAL EXPENDITURES	9,942,500	11,495,319	21,437,819
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,942,500)	(9,816,292)	(19,758,792)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(602,512)	(2,985,311)	(3,587,823)
TOTAL OTHER FINANCING SOURCES (USES)	(602,512)	(2,985,311)	(3,587,823)
<u>NET CHANGE IN FUND BALANCES</u>	(10,545,012)	(12,801,603)	(23,346,615)
FUND BALANCES - BEGINNING	10,545,012	12,801,603	23,346,615
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS DESCRIPTIONS

The capital project funds account for the receipts and disbursement of proceeds of bond issues and other committed revenues used for acquisition and improvement of major capital facilities. These funds reflect the activity of administrative districts created by the School Board.

CAPITAL PROJECTS – OTHER A capital project fund established to account for the receipt and disbursements for construction or renovation costs of schools not accounted for in any other capital project fund.

MASTER PLAN A capital projects fund initially established to account for the receipts and disbursements for the rebuilding of schools after Hurricane Katrina funded by insurance proceeds.

G.O. BOND A capital project fund established to account for the receipt and disbursements for construction or renovation costs of schools to be paid from the general obligation bonds issued by the School Board.

HARRAH'S CASINO A capital project fund established to account for the receipt and disbursements for construction or renovation costs of schools to be paid from assistance received from Harrah's Casino.

CDBG A capital projects fund initially established to account for the receipts and disbursements for the rebuilding of schools after Hurricane Katrina funded by community development block grant assistance.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

Exhibit 8

	<u>OTHER</u>	<u>MASTER PLAN</u>	<u>G.O. BOND</u>	<u>HARRAH'S CASINO</u>	<u>CDBG</u>	<u>TOTAL</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ 2,021,473	\$ -	\$ -	\$ -	\$ 2,021,473
Equity in pooled assets	18,274,979	-	1,417,803	-	-	19,692,782
Receivables	-	-	-	1,550,239	-	1,550,239
Prepaid items	51,000	-	-	-	-	51,000
TOTAL ASSETS	\$ 18,325,979	\$ 2,021,473	\$ 1,417,803	\$ 1,550,239	\$ -	\$ 23,315,494
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts and other payables	\$ -	\$ 362,882	\$ -	\$ -	\$ -	\$ 362,882
Interfund payables	-	1,658,352	-	537,180	-	2,195,532
TOTAL LIABILITIES	-	2,021,234	-	537,180	-	2,558,414
Fund balances:						
Nonspendable	51,000	-	-	-	-	51,000
Restricted	10,932,999	239	1,417,803	1,013,059	-	13,364,100
Committed	7,341,980	-	-	-	-	7,341,980
TOTAL FUND BALANCES	18,325,979	239	1,417,803	1,013,059	-	20,757,080
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,325,979	\$ 2,021,473	\$ 1,417,803	\$ 1,550,239	\$ -	\$ 23,315,494

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 9

	OTHER	MASTER PLAN	G.O. BOND	HARRAH'S CASINO	CDBG	TOTAL
<u>REVENUES</u>						
Local sources:						
Sales and use taxes	\$ 10,932,999	\$ -	\$ -	\$ -	\$ -	\$ 10,932,999
Other	-	-	-	1,500,000	-	1,500,000
TOTAL REVENUES	\$ 10,932,999	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 12,432,999
<u>EXPENDITURES</u>						
Current:						
Instruction:						
Regular programs	500,527	-	-	-	-	500,527
Support: services:						
General administration	171,217	-	-	-	-	171,217
Plant services	60,283	-	109,246	213,372	-	382,901
Central services	2,274	-	-	-	-	2,274
Capital Outlay:						
Facilities acquisition and construction	1,026,584	-	100,111	1,165	3,765	1,131,625
TOTAL EXPENDITURES	1,760,885	-	209,357	214,537	3,765	2,188,544
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,172,114	-	(209,357)	1,285,463	(3,765)	10,244,455
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	\$ 2,985,311	\$ -	\$ -	\$ -	\$ -	\$ 2,985,311
Transfers out	-	-	-	(1,500,000)	-	(1,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,985,311	-	-	(1,500,000)	-	1,485,311
<u>NET CHANGE IN FUND BALANCES</u>	12,157,425	-	(209,357)	(214,537)	(3,765)	11,729,766
FUND BALANCES - BEGINNING	6,168,554	239	1,627,160	1,227,596	3,765	9,027,314
FUND BALANCES - ENDING	\$ 18,325,979	\$ 239	\$ 1,417,803	\$ 1,013,059	\$ -	\$ 20,757,080

ORLEANS PARISH SCHOOL BOARD

COMBINING INTERNAL SERVICE FUNDS DESCRIPTIONS

The Internal Service Funds account for the receipt of premiums and expenditures for the claims and administrative costs for the School Board's self-insurance programs.

The Board maintains the following internal service funds related to self-insured programs:

EMPLOYEE'S HEALTH/LIFE

RETIREE'S HEALTH/LIFE

WORKERS' COMPENSATION

In addition, the School Board maintains the following internal service fund related to discounts received to help eligible schools to obtain affordable telecommunication and internet access:

ERATE

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit 10

<u>ASSETS</u>	<u>EMPLOYEE'S HEALTH/LIFE</u>	<u>RETIREE'S HEALTH/LIFE</u>	<u>WORKERS' COMPENSATION</u>	<u>ERATE</u>	<u>TOTAL</u>
Current:					
Cash and cash equivalents	\$ -	\$ 3,154,004	\$ 70,201	\$ -	\$ 3,224,205
Equity in pooled assets	238,839	345,123	2,913,836	-	3,497,798
Receivables	-	-	-	32,189	32,189
Prepaid expenses	300,000	-	-	-	300,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	538,839	3,499,127	2,984,037	32,189	7,054,192
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts and other payables	2,780	-	-	-	2,780
Interfund payables	536,059	3,497,127	-	32,189	4,065,375
Claims payable	-	-	1,237,255	-	1,237,255
Total current liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	538,839	3,497,127	1,237,255	32,189	5,305,410
Noncurrent:					
Claims payable	-	2,000	-	-	2,000
Total current liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,000	-	-	2,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	538,839	3,499,127	1,237,255	32,189	5,307,410
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET POSITION (UNRESTRICTED)	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ 1,746,782	\$ -	\$ 1,746,782

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 11

	<u>EMPLOYEE'S HEALTH/LIFE</u>	<u>RETIREE'S HEALTH/LIFE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTAL</u>
<u>OPERATING REVENUES</u>				
Premiums	\$ 11,232	\$ 164,957	\$ -	\$ 176,189
Reimbursements	-	-	18,004	18,004
TOTAL OPERATING REVENUES	<u>11,232</u>	<u>164,957</u>	<u>18,004</u>	<u>194,193</u>
<u>OPERATING EXPENSES</u>				
Administrative expenses	135,602	101,058	(58,534)	178,126
Premium payments	114,469	18,584	49,500	182,553
Benefit payments / claims expense	-	390,438	161,568	552,006
TOTAL OPERATING EXPENSES	<u>250,071</u>	<u>510,080</u>	<u>152,534</u>	<u>912,685</u>
NET OPERATING INCOME (LOSS)	(238,839)	(345,123)	(134,530)	(718,492)
<u>TRANSFERS IN (OUT) NET</u>				
Transfers In	238,839	345,123	22,339	606,301
TOTAL TRANSFERS	<u>238,839</u>	<u>345,123</u>	<u>22,339</u>	<u>606,301</u>
Changes in net position	<u>-</u>	<u>-</u>	<u>(112,191)</u>	<u>(112,191)</u>
NET POSITION, BEGINNING	<u>-</u>	<u>-</u>	<u>1,858,973</u>	<u>1,858,973</u>
NET POSITION, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,746,782</u>	<u>\$ 1,746,782</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 12

	EMPLOYEE'S HEALTH/LIFE	RETIREE'S HEALTH/LIFE	WORKERS' COMPENSATION	TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from interfund charges for premiums	\$ 547,291	\$ 1,319,105	\$ -	\$ 1,866,396
Other receipts	2,202	55,348	18,004	75,554
Payments for benefits	(499,183)	(887,365)	(211,067)	(1,597,615)
Payments for excess insurance	(307)	-	-	(307)
Payments to employees for salaries and related benefits	(121,059)	(106,832)	-	(227,891)
Payments to suppliers and service providers	(41,458)	(61,128)	(8,250)	(110,836)
	(112,514)	319,128	(201,313)	5,301
<u>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Transfers in	238,839	345,123	22,339	606,301
	238,839	345,123	22,339	606,301
<u>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</u>				
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest income	-	36	-	36
	-	36	-	36
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>				
NET CHANGE IN CASH	126,325	664,287	(178,974)	611,638
Cash at beginning of year	112,514	2,834,840	3,163,011	6,110,365
Cash at end of year	\$ 238,839	\$ 3,499,127	\$ 2,984,037	\$ 6,722,003
<u>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</u>				
Operating income (loss)	\$ (238,839)	\$ (345,123)	\$ (134,530)	\$ (718,492)
Changes in assets and liabilities:				
(Increase) decrease in receivables	2,202	55,348	-	57,550
Increase (decrease) in accounts payable	(41,458)	-	(8,250)	(49,708)
Increase (decrease) in compensated absences	(9,478)	(48,354)	-	(57,832)
Increase (decrease) in interfund payable	536,059	1,154,184	-	1,690,243
Increase (decrease) in claims payable	(361,000)	(496,927)	(58,533)	(916,460)
	(112,514)	319,128	(201,313)	5,301
<u>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				

ORLEANS PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2021

<u>Board Member</u>	<u>District Number</u>	<u>Salary</u>
John A. Brown, Sr.	1	\$ 9,600
Ethan Ashley, President	2	12,000
Sarah Newell Usdin	3	4,800 (3)
Olin Parker	3	4,800 (2)
Leslie Ellison	4	4,800 (3)
Jancarlo "J.C." Romero	4	4,800 (2)
Grisela Jackson	5	4,800 (3)
Katherine Baudouin	5	4,800 (2)
Woody Koppel, Vice-President	6	4,800 (3)
Carlos L. Zervigon	6	4,800 (2)
Nolan Marshall, Jr., Vice-President	7	9,600 (1)
		<u>\$ 69,600</u>

(1) Vice-President term started January 1, 2021

(2) Term started January 1, 2021

(3) Term ended December 31, 2020

ORLEANS PARISH SCHOOL BOARD

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO THE
SUPERINTENDENT**

FOR THE YEAR ENDED JUNE 30, 2021

Dr. Henderson Lewis, Jr.

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 290,966
Benefits-Health Insurance	13,364
Benefits - Retirement	74,560
Payroll taxes and unemployment expenses	4,236
Travel	2,093
Other-Professional Dues	995
Total	<u>\$ 386,214</u>

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

To the Members of 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, each major fund, and the aggregate remaining fund information of Orleans Parish School Board (the School Board) as of and for the year ended June 30, 2021, 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 March 31, 2022.

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) as a basis for designing 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-004, and 2021-005 to be material weaknesses.

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 2020-003 to be significant deficiencies.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Orleans Parish 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.

A handwritten signature in black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Baton Rouge, Louisiana
March 31, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Members of 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, 2021. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-006 that we consider to be a material weakness.

The School Board's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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



Baton Rouge, Louisiana
March 31, 2022

Orleans Parish School Board
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Pass-Through Grantor No.	OPSB Expenditures	Charter Pass-Through Expenditures
United States Department of Homeland Security (FEMA) Passed through the Louisiana Department of Education FEMA Disaster Relief Program	97.036	N/A	\$ 5,385,920	\$ -
Total United States Department of Homeland Security			5,385,920	-
United States Department of Agriculture (USDA) Passed through State Department of Education: Child Nutrition Cluster: Non-Cash Assistance (Commodities): National School Lunch Program	10.555	N/A	200,482	-
Cash Assistance: School Breakfast Program	10.553	N/A	958,579	-
National School Lunch Program	10.555	N/A	1,901,483	-
Summer Food Service Program for Children	10.559	N/A	281,168	-
Child Nutrition Cluster Total			<u>3,341,712</u>	<u>-</u>
Total United States Department of Agriculture			3,341,712	-
United States Department of Education (ED) Passed through Louisiana Department of Education Every Student Succeeds Act (ESSA) Title I	84.010A	28-17-T1-36	8,878,856	4,238,591
Direct Student Services	84.010A	28-15-BJ-36	114,079	105,867
School Redesign	84.010A	28-20-RD19-36	50,158	-
Subtotal			<u>9,043,093</u>	<u>4,344,458</u>
Title II	84.367A	28-17-50-36	36,254	-
Title III	84.365A	28-17-60-36	49,697	21,187
Title IV	84.186A	28-17-70-36	105,106	40,819
Special Education Cluster (IDEA) IDEA Part B	84.027A	28-17-B1-36	3,537,204	13,502
High Cost Services	84.027A	28-21-RK-36	42,712	42,712
IDEA Preschool	84.173A	28-17-P1-36	33,079	-
Special Education Cluster Total			<u>3,612,995</u>	<u>56,214</u>
McKinney-Vento Homeless	84.196A	28-17-H1-36	24,363	2,400
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund) - Formula	84.425D	28-20-ESRF-36	4,731,936	2,183,978
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund) - Incentive	84.425D	28-20-ESRI-36	133,238	56,868
COVID-19 - Governor's Emergency Education Relief Fund (GEERF)	84.425C	28-20-GERF-36	121,898	42,192
Subtotal			<u>4,987,072</u>	<u>2,283,038</u>
Total United States Department of Education			17,858,580	6,748,116
Total Federal Awards Expenditures			\$ 26,586,212	\$ 6,748,116

See accompanying notes to the Schedule of Expenditure of Federal Awards.

ORLEANS PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the Orleans Parish School Board (the School Board) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations 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 B – NON-CASH ASSISTANCE - FOOD COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. During the year ended June 30, 2021, the School Board did not receive any commodities.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2021, the School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance. Instead, the School Board has an indirect cost rate that is provided by the Louisiana Department of Education.

NOTE D – RECONCILIATION TO FINANCIAL STATEMENTS

The Federal Expenditures reported on the SEFA of \$26,586,212, are broken out as seen below:

Major Governmental Funds:	
General Fund	\$ 14,178,212
Every Student Succeeds Act (ESSA)	9,120,071
Hurricane Katrina Restoration	5,385,920
Non-Major Governmental Funds:	
School Food Service	3,341,713
IDEA	3,570,283
Other Federal Funds	5,168,226
Total Non-Major Governmental Funds	<u>12,080,222</u>
 Total Federal Restricted grants-in-aid per Financial Statements	 \$ 40,764,425
 Less: Receipt of FEMA Assistance for previous claims written off in prior years	 <u>(14,178,213)</u>
 Total Federal Expenditures	 <u>\$ 26,586,212</u>

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are
not considered to be material weaknesses? X yes none reported

Noncompliance material to financial
statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are
not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required
to be reported in accordance with Title 2, Part 200
of the Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grant – Public Assistance (FEMA #4277)
84.425D	Elementary and Secondary School Emergency Relief Fund
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$797,586

Auditee qualified as a low-risk auditee? yes X no

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2021-001: Internal Control Over Financial Reporting of Receivables and Payables

Criteria: The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity’s ability to initiate, record, process, and report financial data consistent with the assertions embodied in the financial statements, which for the School Board, is that the financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

Condition: As part of the audit process, we have assisted management in drafting the financial statements and related notes for the year-end audit procedures. Because our involvement is so key to that process, that is an indication that the internal control over the preparation of year-end GAAP financial statements by the School Board is not sufficient. During our audit, we noted that many accounts required adjustment for them to properly reflect account balances at both the beginning and ending of the current fiscal year. These included grants receivable and the related revenues and payables to charter schools and vendor payables. **This a repeat finding from the prior fiscal year.**

Cause: Due to the timing and completion of the prior year audit, adjusting entries impacting prior year receivables and payable transactions were not posted to the accounting records in a timely manner. This resulted in balance sheet accounts not properly reconciling to subsidiary ledgers and the inability for accounting personnel to perform year-end close out procedures and reconciliations to ensure compliance with generally accepted accounting principles prior to the start of the current year audit.

Effect: The School District has a material weakness in their internal control over financial reporting.

Recommendation: We recommend that management designate appropriate personnel to maintain the books and records of the School Board in accordance with GAAP. This would involve monthly reconciliations of accounts and providing interim reports to management and the Board throughout the year. In addition, the School Board needs to ensure that proper procedures are established to improve the communications between departments to ensure accuracy and completeness of accounting records.

View of Responsible Official:

Based on the submission date of September 24, 2021, for the FY20 audit, there was not adequate time to fully implement the improved controls, processes and organizational chart changes needed to resolve this repeat audit finding. In addition to the monthly close process designating specific accounting functions to staff members, there have been several new hires in the department in order to properly handle these transactions. Improved claims tracking by accounting staff prior to the review by programmatic staff will help ensure all claims are properly accrued while the claims are in process.

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2021-002: Accrued Expenditures and Accounting Estimates

- Criteria:* The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertions embodied in the financial statements, which for the School Board, is that the financial statements are prepared in accordance with generally accepted accounting principles (GAAP).
- Condition:* Based on testing performed at fiscal year-end, the School Board over accrued expenses by more than \$1,000,000 in the Child Nutrition Fund.
- Cause:* The School Board estimates accrued expenditures based on open purchase orders at fiscal year-end as established within each department. Open purchases orders are approved based on adopted budgeted amounts. Historically, finance personnel assumed that with a balanced budget and valid estimates, in theory, this was a simplified way of recording accrued expenditures without doing a subsequent search of unrecorded transactions. However, when a budget does not properly reflect the actual expenditures necessary for operations this results in inaccurate information.
- Effect:* Fund level financial information did not properly reflect expenditures of the Child Nutrition Fund. Without proper reporting, financial decisions being made by the School Board may be inappropriate.
- Recommendation:* We recommend that the School Board develop a process to review the departmental budgets in relation to historical trend analysis (or other methods deemed appropriate by Finance personnel) to ensure accurate spending by those departments. In addition, the School Board needs to utilize its accounting system to provide the information needed for year-end accruals basing this on actual expenditures versus estimating these accruals.

View of Responsible Official:

The finance department reviews departmental budgets throughout the fiscal year in both the general fund and the special revenue funds. The Child Nutrition Fund operates throughout the school year and provides services in the summer as well resulting in the need for a year-end review as the program overlaps fiscal years providing meals to students in June and July. Accruals for year-end will more closely reflect actual anticipated expenditures and allow for operational needs throughout the summer months.

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2021-003: Violation of Local Government Budget Act

- Criteria:* Louisiana Revised Statute 39:1311A(1-2) requires that the budget shall be amended when total revenue and other sources (including fund balance from the prior years) plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- Condition:* Expenditures of the School Board’s General Fund, the Pass-through Fund and several non-major special revenue funds exceeded the budgeted amounts by more than 5%. **This is a repeat finding from the prior year.**
- Cause:* Due to timing of year end close out procedures and material adjustments necessary for compliance with generally accepted accounting principles, proper monitoring of budget to actual variances were not able to be performed.
- Effect:* The negative variances of more than five percent are a violation of Louisiana Revised Statute 39:1311A (1-2).
- Recommendation:* We recommend that the School Board develop and adopt written procedures related to the accounting and compliance with the local government budget act.

View of Responsible Official:

Based on the submission date of September 24, 2021, for the FY20 audit there was not adequate time to fully implement the improved controls, processes and organizational chart changes needed to resolve this repeat audit finding. Expenditures were in excess of the 5% variance rule due to large changes in write offs and corrections to fund balance amounts across other funds. Updated procedures for compliance with Louisiana Revised Statute 39:1311A (1-2) are being developed which will more accurately review budgets prior to the end of the fiscal year in order to make necessary adjustments. Additionally, the timing of year end close out procedures will allow for proper monitoring of budget to actual variances.

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

2021-004: Information Technology and Use of Accounting Systems

- Criteria:* A strong system of internal controls over accounting systems requires an understanding of the existence of all systems used, the flow of accounting transactions, and the user's knowledge of the output.
- Condition:* A complete listing of all accounting systems utilized is not maintained by IT personnel. Year-end close out procedures were not properly performed in the accounting system and resulted in duplication of accounts payable transactions impacting the expenditures reported and the operating cash account reconciliation.
- Cause:* Formal written policies and procedures lack consideration of tracking accounting systems purchased and utilized by all departments. Finance personnel have limited knowledge on the functionality of the accounting software being utilized.
- Effect:* Without an understanding of all systems utilized by the School Board, a vulnerability exists and increases risks of cyber-attacks. In addition, outputs generated from the system are inaccurate and there is an inability to timely reconcile vendor payables to a detailed listing of amounts owed.
- Recommendation:* We recommend that the School Board adopt formalized policies to address tracking of systems and establish appropriate controls over access to these systems. In addition, finance personnel should be trained on the functionality of their accounting system covering proper close-out procedures.

View of Responsible Official:

Purchases of new software and hardware are procured through the MUNIS ERP system and as such all new software and hardware is reviewed by the Director of Information Technology prior to purchase and installation. The MUNIS system contract includes training days which have been better utilized and planned for. Those training days thus far have focused on the fixed asset module, accounts payable module, procurement contracts management module and the project accounting module. As new staff are on-boarded to the organization they are provided with knowledgebase trainings in MUNIS to prepare them for their job assignments and existing staff have been surveyed for needed trainings and updates to assist them in their ERP understanding.

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2021-005: Bank Account Reconciliations and Pooled Cash Fund Reconciliation

Criteria: A good system of internal controls over cash includes monthly reconciliations. To simplify and minimize the number of cash accounts and maximize the control and utilization of the liquid assets of the School Board a centralized pooled cash system is maintained except in instances where required by debt agreements or other regulations. A separate fund is created to reconcile individual fund level cash balances to the total pooled accounts.

Condition: A cash account was not reconciled to the general ledger and the pooled cash fund was not reconciled to individual fund amounts throughout the year. Audit procedures revealed a negative cash balance of \$4.6 million associated with the revenue anticipation note (RAN) bank account. The note was required to be repaid by ad valorem collections. Once the note was paid any other collections were now part of operating deposits. Finance personnel were aware that the deposits were not going to the correct account and made a reclassification entry to move these resources. However, an entry to record the ad valorem collections deposited into this account and the associated revenue was not made resulting in the negative cash balance. We also noted that the School Board is not reconciling the transactions with the Pooled Cash Fund to ensure allocations between funds are properly recorded and balanced.

Cause: An entry was recorded without reviewing the impact to the general ledger and the Pooled Cash Fund was not reconciled.

Effect: Inaccurate balances are presented and may be relied upon without understanding the impact to the School Board's access to cash or its responsibilities in distributing funds to the charter schools as required under the terms of their agreements.

Recommendation: We recommend that reconciliations are prepared and compared to the Fund level statements and each month the Pooled Cash Fund be reconciled in total to all other funds that participate in the pooling of these assets.

View of Responsible Official:

Accounting procedures have been updated to include on the monthly close out checklist the reconciliation of bank accounts as well as the comparison to the fund level statements. Ongoing cash account reconciliations will be performed by the Sr. Accountant as well as the Comptroller in order to best inform the School Board and management regarding cash and fund balances and in order to prevent any issues in distributing funds to charter schools.

ORLEANS PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

C. FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2021-006: Preparation of the Schedule of Expenditures of Federal Awards

Questioned Costs: N/A

Criteria: The Uniform Guidance Subpart F section 200.510 requires the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to include an accurate reporting of federal awards expended based on the terms and conditions of the grants. For the SEFA to be prepared accurately and properly report the amounts expended for federal awards, a system of controls should be in existence that includes the timely preparation and review of the amounts reported on the SEFA.

Condition: The SEFA prepared by the School Board's personnel did not properly report the correct amount of the federal awards expended for the Federal programs administered by the School Board. The amount of expenditures reported included the grant award amounts and not the federal expenditure amounts of these programs. **This is a repeat finding from the prior year.**

Cause: A formal review of the SEFA by an individual not involved in the determination of the federal awards reported was not performed.

Effect: The SEFA provided to us did not contain the correct amounts of federal expenditures which is the basis used to determine the major federal programs to be audited in a fiscal year.

Recommendation: The School Board should strengthen its controls including its review and approval processes over the information and balances that are accumulated and reported on the SEFA to make sure the expenditures reported are an accurate representation of federal costs.

View of Responsible Official:

Grants management responsibilities and the coordination with accounting staff has been changed including process management as well as organizational structures. The SEFA schedule will be reviewed by the Comptroller and the Chief Financial Officer prior to issuance in order to verify expenditures as well as ensure any claims outstanding have been properly recorded and accrued. Changes made in the FY20 audit to individual grants and the timing of the issuance of the FY20 audit did not allow for proper review and analysis of each grant.

ORLEANS PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001: Internal Control Over Financial Reporting of Fixed Assets and Capitalization of Project Costs Related to the Transfer of Operations of Schools to the Recovery School District (RSD)

Condition: During our audit procedures, we identified the following matters related to internal control over financial reporting of fixed assets:

1. The School Board did not timely reconcile capital outlay expenditures to the accounting system's fixed asset account group reporting which includes the calculation of depreciation expense for financial reporting purposes. It was also noted that when additions to the fixed asset account grouping trial balance are entered this results in one-sided fund entries that needs to be manually adjusted to balance the funds affected, the fixed assets account group and the general fund.
2. The School Board did properly record and capitalize costs associated with the renovation or reconstruction of facilities damaged by Hurricane Katrina for those schools whose operations were transferred to the RSD resulting in a material misstatement of assets of the School Board.
3. The School Board was not recording retainage payable for projects not completed by fiscal year end.

Current Year Status: Resolved

2020-002: Internal Control Over Financial Reporting of Receivables and Payables

Condition: As part of the audit process, we have assisted management in drafting the financial statements and related notes for the year-end audit procedures. Because our involvement is so key to that process that is an indication that *the* internal control over year-end GAAP financial statements by the School Board is not sufficient. During our audit, we noted that many accounts required adjustment in order for them to properly reflect account balances at both the beginning and ending of the current fiscal year. These included grants receivable and the related revenues and payables to charter schools. In addition, a reconciliation of salaries and wages of School District employees to general ledger detail is not being performed. Accruals for expenditures incurred prior to the fiscal year end were not timely reviewed and accounted for in the correct period. Accounting related to the net pension liability and related deferrals were not properly recorded.

Current Year Status: Repeat finding 2021-001

ORLEANS PARISH SCHOOL BOARD
SUMMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2020-003: Tenant Lease Agreements

Condition: During our review of the lease agreements with the tenants of both the administrative offices of the School Board and the Mahalia Jackson Complex we noted there is currently no process in place to reconcile the cash receipts to the records of the third party to ensure that collections are complete and accurate.

Current Year Status: Resolved

2020-004: Violation of Local Government Budget Act and Negative Fund Balance

Condition: Expenditures of the School Board’s General Fund and several non-major special revenue funds exceeded the budgeted amounts by more than 5%. In addition, six funds have fund balance deficits. These include the revenue pass-through fund (\$22,251,160), master plan fund (\$17,119,179), special education fund (\$686,629), Title IX – Homeless Children and Youth fund (\$43,329) and the internal services funds, active employees (\$565,606) and retiree health (\$487,938).

Current Year Status: Repeat finding 2021-003

2020-005: Distributions of Local Revenue to Charter Schools

Condition: As the School District did not directly run any schools during the fiscal year, all amounts are to be paid directly to charter management organizations of each school in the district. The amounts calculated to be distributed to each school should be based on the taxes collected during the year of adoption of these provisions and subsequently disbursed in the year following based on school board policy. The School Board had established a \$100 per pupil amount and made distributions to each school based on a per pupil amount during the year of adoption which resulted in an overpayment of funds required to be distributed to the charter schools.

Current Year Status: Resolved

2020–006: Non-Compliance with State Audit Law

Condition: The School Board was required to have an audit completed by the emergency extended filing due date of July 31, 2021 and the School Board did not meet this filing deadline.

Current Year Status: Resolved

ORLEANS PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

B. FINDINGS and QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2020–007: Preparation of the Schedule of Expenditures of Federal Awards

Questioned Costs: N/A

Condition: The SEFA prepared by the School Board’s personnel did not properly report the correct amount of the federal awards expended for the Federal programs administered by the School Board. The amount of expenditures reported included the grant award amounts and not the federal expenditure amounts of these programs.

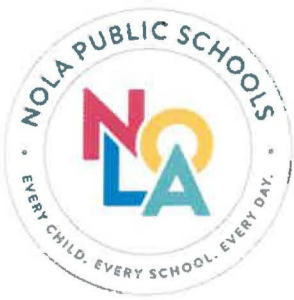
Current Year Status: Repeat finding 2021-006

2020–008: Internal Controls over the Reconciliation of Federal Expenditures to the Appropriate Funding Sources and Reports Submitted

Questioned Costs: N/A

Condition: While testing a sample of expenditures recorded in the fund which tracks the use of disaster assistance grant funding, it was noted that some of these expenditures were to be reimbursed from other federal or local sources based on reports maintained by the School Board’s outsourced grant administrator. A reconciliation of costs maintained by the grants administrator and the general ledger is not being performed. Our testing did not disclose any non-compliance with respect to amounts submitted for reimbursements during the fiscal year.

Current Year Status: Resolved



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March 29, 2022

Tiffani M. Dorsa, CPA
 Audit Director
 Postlethwaite & Netterville
 8550 United Plaza Blvd., Suite 1001
 Baton Rouge, LA 70809

Dear Tiffani,

Please see below the corrective action plan per the requirements of §200.516 for the audit findings related to the Orleans Parish School Board's FY2021 annual audit.

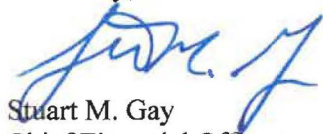
Finding	Corrective Action Plan	Contact Person(s)	Anticipated Completion Date
2020-001: Internal Control Over Financial Reporting of Receivables and Payables	<ul style="list-style-type: none"> A monthly close process has been created in order to designate necessary accounting functions to staff members monthly that prepare the OPSB for the annual close process, however, based on the timing of the close of the FY20 audit complete implementation was not possible. Grant accounting processes have been changed and the staff is being restructured in order to separate programmatic functions from accounting / finance functions. This will allow MUNIS based tracking of receivables and payables while grants are in the process cycle. 	Stuart Gay, CFO Nyesha Veal, Comptroller Sr. Accountant Endia Bush Grants Analyst (Vacant)	June 30, 2022
2021-002: Accrued Expenditures and Accounting Estimates	<ul style="list-style-type: none"> The finance department will review departmental budgets throughout the fiscal year in both the general fund and the special revenue funds. 	Stuart Gay, CFO	June 30, 2022

	<ul style="list-style-type: none"> • The Child Nutrition Fund operates throughout the school year and provides services in the summer as well resulting in the need for a year-end review as the program overlaps fiscal years providing meals to students in June and July. • Accruals for year-end will more closely reflect actual anticipated expenditures and allow for operational needs throughout the summer months. 	<p>Rosie Jackson, ED of Child Nutrition</p> <p>Tiffany Delcour, COO</p> <p>Chase Story, Budget Manager</p>	
<p>2020-003: Violation of Local Government Budget Act and Negative Fund Balance</p>	<ul style="list-style-type: none"> • Based on the submission date of September 24, 2021, for the FY20 audit there was not adequate time to fully implement the improved controls, processes and organizational chart changes needed to resolve this repeat audit finding. • Expenditures were in excess of the 5% variance rule due to large changes in write offs and corrections to fund balance amounts across other funds. • Updated procedures for compliance with Louisiana Revised Statute 39:1311A (1-2) are being developed which will more accurately review budgets prior to the end of the fiscal year in order to make necessary adjustments. 	<p>Stuart Gay, CFO</p> <p>Nyesha Veal, Comptroller</p> <p>Chase Story, Budget Manager</p> <p>Jennifer Celestain, Sr. Accountant</p>	<p>June 30, 2022</p>
<p>2021-004: Information Technology and Use of Accounting Systems</p>	<ul style="list-style-type: none"> • Purchases of new software and hardware are procured through the MUNIS ERP system and as such all new software and hardware is reviewed by the Director of Information Technology prior to purchase and installation. • The MUNIS system contract includes training days which will be utilized for module-based staff training as well as ongoing staff development sessions. • Onboarding of new staff necessary to perform accounting 	<p>Stuart Gay, CFO</p> <p>Glenn Smith, Director of IT</p> <p>Tiffany Delcour, COO</p> <p>Yeltecia Dukes, ED of Human Resources</p>	<p>June 30, 2022</p>

	transactions will include knowledgebase building trainings within MUNIS to allow for improved utilization of the ERP.		
2020-005: Bank Account Reconciliations and Pooled Cash Fund Reconciliation	<ul style="list-style-type: none"> Accounting procedures have been updated to include on the monthly close out checklist the reconciliation of bank accounts as well as the comparison to the fund level statements. Ongoing cash account reconciliations will be performed by the Sr. Accountant as well as the Comptroller. 	Stuart Gay, CFO Nyesha Veal, Comptroller Carmen Rochelle, Sr. Accountant	June 30, 2022
2020 -006: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)	<ul style="list-style-type: none"> Reorganization of the grants processes from initial allocation through reimbursement and compliance have been underway throughout the FY22 fiscal year. Staff functioning on programmatic tasks will utilize accounting staff in order to ensure proper tracking of receivables and payables which will inform an accurate SEFA. Costs of the district will be properly separated through LAUGH coding from school based expenses and claims for all recipients will be tracked in MUNIS for proper accruals as well as month-end and year-end close 	Stuart Gay, CFO Nyesha Veal, Comptroller Endia Bush, Sr. Accountant Ivy Williams, ED of Federal Programs Grants Analyst (Vacant)	June 30, 2022

We appreciate the thoroughness of this audit and the recommendations for improving the accounting and operational functions of the District as we move forward. Should you have any questions or require any additional information please do not hesitate to contact me directly.

Sincerely,



Stuart M. Gay
Chief Financial Officer

cc: Olin Parker, OPSB President
Dr. Henderson Lewis Jr., OPSB Superintendent