

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

Financial Statements and Schedules

June 30, 2018



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## **Principal Officials**

### **School Board Members**

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

Officers are elected for a term of one calendar year by Board Members. The 2018 officers are shown above.

### **Administrative Officials**

Dr. Henderson Lewis, Jr., Ph.D.	Superintendent
Mary K. Garton	Assistant Superintendent
Eric Seling	Chief Operations Officer
Gabriela Fighetti	Chief Student Access Officer
Rene Lewis-Carter	Chief of Schools
Amanda Aiken	Senior and Chief Portfolio Officer

# ORLEANS PARISH SCHOOL BOARD

Superintendent | Henderson Lewis, Jr. Ph.D



December 10, 2018

To the people of New Orleans:

As December comes to a close, we should all be thankful and reflect on the year just passed. We began 2018 with the governance of New Orleans public schools divided between two distinct districts, one locally elected and one established at the state level by the Louisiana Department of Education. Now, for the first time in over a decade, we are unified and will finish 2018 as a locally controlled school system.

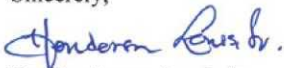
In this new era, the district is 100% committed to transparency. We must be good stewards of public funds.

Our independent annual audit helps us review and further refine our internal financial controls. It offers a chance to think about what we've achieved and the work that remains to be done.

In recent years, the district has hit a number of milestones when it comes to reaching our financial goals. We have dramatically reduced our reliance on one-time revenues, cut our deficit, and continue to aggressively pay down our debts. Furthermore, the district has adopted a new budget framework, which seeks to illuminate a variety of important aspects of school finance in our city while also providing significantly more details than what had been provided historically.

We've come a long way and have a long way to go. Progress is being made as we create what is a unique public school system for the future of New Orleans: one that serves all families, upholds high standards for all schools, is financially sustainable, and has the community's confidence. Please see the attached 2018 fiscal year-end audit book to learn more.

Sincerely,



Dr. Henderson Lewis Jr.  
Superintendent  
Orleans Parish School Board

## Independent Auditor's Report

To the Orleans Parish School Board  
New Orleans, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (School Board) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the accompanying table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following discretely presented component units which represent 98%, 98% and 96%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units: Warren Easton Senior High School, Hynes Charter School, Homer A. Plessy Community School, Cypress Academy, Rooted School, and Foundation Preparatory. These financial statements were audited by other auditors whose reports thereon were furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Orleans Parish School Board as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, net OPEB liability and related ratios, net pension liability information, and notes to required supplementary information on pages 4 through 11 and 85 through 92 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

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



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 on our consideration of 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

**Emphasis of a Matter**

As discussed in Note 2 to the financial statements, the School System adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, for the year ended June 30, 2018. The adoption of GASB Statement No. 75 restated the governmental activities net position and adjusted the disclosures and required supplementary information. Our opinion is not modified with respect to these matters.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA  
December 18, 2018

## Overview and Analysis of Financial Activities

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

Our discussion and analysis of the School Board's financial performance includes a section entitled *Financial Highlights* which provides an overview of its financial activities for the fiscal years ended June 30, 2018 and 2017. This discussion and analysis should be read in conjunction with the Annual Financial Report's Letter of Transmittal in the Introductory Section, the School System's Financial Statements (Financial Section) and the Notes to the Financial Statements.

### Financial Highlights

- As of June 30, 2018, the School Board reported a consolidated net position of \$854.6 million, which is an increase of \$264.0 million from the June 30, 2017, balance of \$590.6 million.
- As of June 30, 2018, the School Board reported a General Fund balance of \$63.0 million. This represents a decrease of \$1.7 million from the June 30, 2017, balance of \$64.7 million.
- For fiscal year 2018, Ad Valorem Tax Revenues, including the gross up for fees, totaled \$169.3 million. This represents an increase of \$4.1 million from the prior year.
- Sales Tax Revenues totaled \$139.6 million for fiscal year 2018, which represents an increase of \$7.6 million from the prior year.
- The Minimum Foundation Program (MFP) distribution from the State of Louisiana totaled \$24.7 million for fiscal year 2018. Louisiana funds public education through a block grant known as the Minimum Foundation Program, or MFP. The MFP formula is developed and approved annually by the Louisiana State Board of Elementary and Secondary Education.
- Within fiscal year 2018, expenditures on Federal and State awards totaled \$26.1 million. The largest grants were as follows: (1) U.S. Department of Homeland Security (FEMA Disaster Relief Program) = \$6.4 million; (2) U.S. Department of Education = \$14.4 million and (3) U.S. Department of Agriculture, Child Nutrition Program = \$4.8 million. These expenditures benefit OPSB students, OPSB charter school students and non-public students.
- Principal payment on the General Obligation Bonds totaled \$10.9 million. The Qualified School Construction Bond (QSCB) is required to make an annual deposit to a sinking fund for maturation. The contribution in fiscal year 2018 was \$11.4 million. Interest payments for both bonds totaled \$2.0 million.
- As of June 30, 2018, the School Board had total Long-Term debt of \$218.1 million. This is comprised of the following: (1) Bonds totaling \$109.4 million; (2) Bond Premiums of \$1.9 million; (3) OPEB Obligation payable of \$6.2 million; (4) Net Pension Liability of \$51.7 million; (5) Compensated Absences of \$3.5 million and (6) Claims Payable of \$45.4 million.
- As of June 30, 2018, the School Board had a fund balance of \$74.4 million in its Debt Service funds. The components are as follows: (1) General Obligation Bonds = \$16.8 million and (2) QSCB Bonds = \$57.6 million. These funds are dedicated by Board action to the repayment of the related outstanding debt.

- As of June 30, 2018, the School Board had net capital assets, book value less accumulated depreciation, of \$616.7 million, which does not include property transferred to the RSD. The long-term debt plus accrued interest on these capital assets totaled \$111.9 million.
- Capital project expenditures during fiscal year 2018, for both major construction and repair and maintenance projects totaled \$7.9 million.
- At June 30, 2018 the component units (i.e., the seven charter schools) had a net position of \$19.4 million. Additionally, revenue for the current fiscal year totaled \$29.3 million.

## **Using this Annual Financial Report**

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

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

The Fund Financial Statements (pages 18 through 28) represent information for three fund categories - governmental, proprietary and fiduciary. Financial statements for governmental funds tell how we financed our services in the short-term as well as what remains for future spending. These fund statements provide the reader with some insight into the School Board's overall financial health. In short, the fund-level financial statements show the results of operations and financial position using the current financial resources measurement focus and the modified accrual basis of accounting, emphasizing the change in fund balances as a result of the current year's operations, as well as the amount of resources available to spend.

Fund Financial Statements also report the School Board's operations in more detail than the Government-Wide Financial Statements by providing information about the School Board's most significant funds - such as the General Fund, Pass-Through Fund, General Obligation Bond Fund, QSCB Fund, Hurricane Katrina Restoration Fund, Capital Projects Fund, Master Plan Fund, Facilities Preservation Fund and the Federal Grant Fund. The Governmental Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances include the major funds as well as an aggregate of the remaining funds that report general government operations.

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

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

Other sections include Notes to the Financial Statements (pages 30 through 83) and certain Required Supplementary Information (pages 85 through 92). Included in the Required Supplementary Information is a comparison of the General Fund budget with actual results on pages 85 through 86. Over the course of the year, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures.

## Reporting on School Board as a Whole

### *Government-Wide Financial Analysis*

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

**Table 1**  
**Condensed Comparative Statement of Net Position (In Thousands)**  
**At. June 30, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 255,563	\$ 258,880	\$ 5,010	\$ 11,134	\$ 260,573	\$ 270,014
Capital Assets, Net	609,779	432,482	6,899	7,020	616,678	439,502
Loan Receivable and Accrued Interest	-	-	129,284	80,811	129,284	80,811
Long-Term Receivable RSD	91,676	109,898	-	-	91,676	109,898
<b>Total Assets</b>	<b>957,017</b>	<b>801,260</b>	<b>141,193</b>	<b>98,965</b>	<b>1,098,210</b>	<b>900,225</b>
Deferred Outflows of Resources	8,164	14,621	-	-	8,164	14,621
Current and Other Liabilities	23,216	96,605	360	515	23,575	97,120
Long-Term Liabilities	218,088	225,530	59	-	218,148	225,530
<b>Total Liabilities</b>	<b>241,304</b>	<b>322,135</b>	<b>419</b>	<b>515</b>	<b>241,723</b>	<b>322,650</b>
Deferred Inflows of Resources	10,054	1,638	-	-	10,054	1,638
<b>Net Position:</b>						
Net Investment in Capital						
Assets	589,599	418,617	6,898	7,020	596,497	425,637
Restricted	125,625	95,544	-	-	125,625	95,544
Unrestricted	(1,401)	(22,053)	133,876	91,430	132,475	69,377
<b>Total Net Position</b>	<b>\$ 713,823</b>	<b>\$ 492,108</b>	<b>\$ 140,774</b>	<b>\$ 98,450</b>	<b>\$ 854,597</b>	<b>\$ 590,558</b>

The School Board's net position was \$854.6 million at June 30, 2018, and \$590.6 million at June 30, 2017. Of which, \$132.5 million and \$69.4 million were unrestricted at June 30, 2018 and 2017, respectively. Restricted net position is reported separately to show legal constraints from debt covenants, capital projects and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. As of June 30, 2018 and 2017, the restricted net position amounted to \$125.6 million and \$95.5 million, respectively.

Current and other assets decreased from June 30, 2017 to June 30, 2018, by \$9.4 million.

Net capital assets increased from June 30, 2017 to June 30, 2018, by \$177.2 million primarily due to the transfer of properties from the RSD. See Notes 2 and 6, Capital Assets in the accompanying financial statements for additional discussion regarding depreciation methods and related accumulated depreciation. The June 30, 2018 and 2017, financial statements reflect \$91.7 million and \$109.9 million in capital assets transferred to the RSD as a long-term receivable. Due to the enactment of the school re-unification process, transfers of property occurred during fiscal year 2018.

Liabilities decreased by \$80.9 million reflecting an improved accounts payable process. Long-term liabilities decreased by \$7.4 million. This net change is composed of a decrease in Bonds Payable by \$10.8 million, and decreases in Net Pension Liability of \$17.1 million and OPEB Obligation Liability by a negligible amount. These decreases were offset by an increase in Accrued Compensated Absences of \$1.3 million and Liability for Claims Payable of \$14.1 million.

**Table 2**  
**Condensed Comparative Statement of Activities (in Thousands)**  
**For the Years Ended June 30, 2018 and 2017**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
<b>Governmental Activities</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Revenues						
Program Revenues						
Charges for Services	\$ 120	\$ 330	\$ 1,267	\$ 1,272	\$ 1,387	\$ 1,602
Operating Grants	61,380	32,790	-	-	61,380	32,790
Capital Grants	7,724	25,742	-	-	7,724	25,742
Total Program Revenues	69,224	58,862	1,267	1,272	70,490	60,134
General Revenues						
Ad Valorem Taxes	169,282	165,149	-	-	169,282	165,149
Sales and Use Taxes	139,638	132,079	-	-	139,638	132,079
State Revenue Sharing	2,839	2,830	-	-	2,839	2,830
Interest and Investment Earnings	870	237	2,042	1,428	2,912	1,665
Internal Service Funds Net Operating Gain	-	1,684	-	-	-	1,684
Minimum Foundation Program (MFP)	24,694	66,456	-	-	24,694	66,456
Donation of Capital Assets	169	-	-	-	169	-
Gain on Disposal/Sale of Capital Assets	-	-	32,112	-	32,112	-
Contributions and Donations	158,319	-	10,522	19,415	168,841	19,415
Judgments	26	1,090	-	-	26	1,090
Other General Revenues	34,467	7,524	-	-	34,467	7,524
Total General Revenues	530,304	377,049	44,675	20,843	574,979	397,892
Total Revenues	\$ 599,528	\$ 435,911	\$ 45,942	\$ 22,115	\$ 645,470	\$ 458,026

**Table 2 (Continued)**  
**Condensed Comparative Statement of Activities (in Thousands)**  
**For the Years Ended June 30, 2018 and 2017**

Governmental Activities	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Functions/Program						
Instruction						
Regular Education Programs	\$ 16,386	\$ 16,174	\$ -	\$ -	\$ 16,386	\$ 16,174
Special Education Programs	5,896	7,053	-	-	5,896	7,053
Other Educational Programs	13,295	18,880	-	-	13,295	18,880
Support Services						
Student Services	6,861	8,153	-	-	6,861	8,153
Instructional Staff Support	5,155	7,405	-	-	5,155	7,405
General Administration	22,165	16,100	-	-	22,165	16,100
School Administration	4,680	4,281	-	-	4,680	4,281
Business Services	2,117	1,956	-	-	2,117	1,956
Student Transportation Services	4,069	5,460	-	-	4,069	5,460
Central Services	4,070	3,088	-	-	4,070	3,088
Plant Services	10,633	9,623	-	-	10,633	9,623
Other	1,628	2,837	-	-	1,628	2,837
Food Services	4,291	5,035	-	-	4,291	5,035
Transfer to RSD Schools - Local MFP	234,848	190,497	-	-	234,848	190,497
Transfer to Charter Schools - Local and State MFP	34,195	121,911	-	-	34,195	121,911
Interest on Long-Term Debt	936	1,470	-	-	936	1,470
Transfer to Other LEA	-	-	1,720	2,014	1,720	2,014
Rental Properties	-	-	1,898	1,671	1,898	1,671
Total Expenses	371,224	419,924	3,618	3,685	374,842	423,608
Changes in Net Position Before Transfers	228,304	15,987	42,324	18,430	270,628	34,417
Transfers	-	(63)	-	63	-	-
Changes in Net Position	228,304	15,924	42,324	18,493	270,628	34,417
Net Position - June 30, 2017	492,108	476,962	98,450	79,957	590,558	556,919
Prior Period Adjustment	(6,589)	(778)	-	-	(6,589)	(778)
Net Position - June 30, 2018	\$ 713,823	\$ 492,108	\$ 140,774	\$ 98,450	\$ 854,597	\$ 590,558

Total revenues for all governmental and business-type activities for the fiscal years ended June 30, 2018 and June 30, 2017, were \$645.5 million and \$458.0 million, respectively. The increase is due primarily to increases in Contributions and Donations, Gain on Disposal/Sale of Capital Assets, Other General Revenues, Ad Valorem Taxes, and Sales and Use Taxes revenue. These were offset by decreases in MFP funding, Internal Service Funds Net Operating Gain, and Judgments.

As reported in the Statement of Activities (Table 2) the total cost of all governmental and business-type activities for the fiscal years ended June 30, 2018 and June 30, 2017, were \$374.8 million and \$423.6 million, respectively. The overall decrease is mainly due to a decrease in Transfer to Charter Schools offset by an increase in Transfer to the RSD Schools. The Transfer to the RSD Schools represents their share of local revenues for the fiscal year based on the ratio of students serviced by each entity. The Transfers to Charter Schools represent their share of state MFP and local revenue share based on their student population. The School Board continues to focus on the provisions of instructional and related support services aimed at all of its student population.

Some of the costs were funded by those who benefited from the programs or by other governments and organizations who subsidized certain programs as reflected in operating grants revenues. The School Board funded the remaining "public benefit" portion of our governmental costs with revenues from Ad Valorem and Sales Taxes of \$308.9 million for 2018 and \$297.2 million for 2017. MFP funding provided \$24.7 million for 2018 versus \$66.5 million for 2017. State revenue sharing funded the remaining "public benefit" governmental costs.

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

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

Description	June 30, 2018		June 30, 2017	
	Gross Cost of Services	Net Cost of Services	Gross Cost of Services	Net Cost of Services
<b>GOVERNMENTAL ACTIVITIES</b>				
Regular Education Programs	\$ 16,386	\$ 10,610	\$ 16,174	\$ 11,244
Special Education Programs	5,896	1,213	7,053	2,786
Other Education Programs	13,295	(15,276)	18,880	(104)
Student Services	6,861	(3,114)	8,153	1,813
Instructional Staff Support	5,155	(4,944)	7,405	627
General Administration	22,165	19,854	16,100	11,481
School Administration	4,680	4,192	4,281	3,053
Business Services	2,117	1,883	1,956	1,389
Student Transportation Services	4,069	3,623	5,460	3,671
Central Services	4,070	3,470	3,088	2,151
Plant Services	10,633	9,525	9,623	6,862
Other	1,628	1,628	2,837	2,837
Food Services	4,291	(642)	5,035	(627)
Transfer to RSD Schools - Local MFP	234,848	234,847	190,497	190,496
Transfer to Charter Schools - Local and State MFP	34,195	34,195	121,911	121,911
Interest on Long-Term Debt	936	936	1,470	1,470
	<u>\$ 371,224</u>	<u>\$ 301,999</u>	<u>\$ 419,924</u>	<u>\$ 361,060</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Rental Properties	\$ 1,898	\$ 632	\$ 1,671	\$ 399
Transfers to Other LEA	1,720	1,720	2,014	2,014
	<u>\$ 3,618</u>	<u>\$ 2,352</u>	<u>\$ 3,685</u>	<u>\$ 2,413</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 374,842</u>	<u>\$ 304,351</u>	<u>\$ 423,608</u>	<u>\$ 363,474</u>

Overall, the net cost of services in fiscal 2018 increased by \$58.9 million, primarily due to the increase in MFP Transfers to RSD Schools offset by a decrease in MFP Transfers to Charter Schools.

## Reporting on the Individual Funds

### Fund Financial Analysis

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

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

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

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

### Capital Asset and Debt Administration

#### Capital Assets

The School Board's capital assets include land, buildings and improvements, furniture and equipment, transportation equipment and construction-in-progress. A comparative analysis of capital assets as of June 30, 2018 and 2017, is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 26,606,757	\$ 25,480,923	\$ 1,440,992	\$ 1,440,992	\$ 28,047,749	\$ 26,921,915
Buildings and Improvements	634,553,253	459,685,536	6,372,157	6,372,157	640,925,410	466,057,693
Furniture and Equipment	24,813,475	13,444,500	-	-	24,813,475	13,444,500
Construction in Progress	10,897,767	15,293,369	-	-	10,897,767	15,293,369
	696,871,252	513,904,328	7,813,149	7,813,149	704,684,401	521,717,477
Accumulated Depreciation	(87,092,608)	(81,421,037)	(914,664)	(792,755)	(88,007,272)	(82,213,792)
T total	\$ 609,778,644	\$ 432,483,291	\$ 6,898,485	\$ 7,020,394	\$ 616,677,129	\$ 439,503,685



Overall net capital assets increased from June 30, 2017 to June 30, 2018, by \$177.2 million. This increase reflects construction pursuant to the City of New Orleans' master plan to re-build schools and the transfer of buildings and furniture and equipment from the RSD. Additional information on Capital Assets can be found in Note 2, Summary of Significant Accounting Policies and Note 6, Capital Assets.

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

### **Long-Term Debt**

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

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

### **Economic Factors and Next Year's Budget**

The economic viability of the School Board is related primarily to the Ad Valorem and Sales Tax Revenues and MFP. For fiscal year 2018, the School Board reflected increased Ad Valorem and Sales Tax Revenues. Ad Valorem Tax increases reflect higher assessments. The Sales Tax base growth is attributable to commercial development inclusive of the Louisiana State University's medical complex center near the central business district, new retail developments including a high-end retail outlet and increased population. In addition, OPSB will be transitioning to a unified school district responsible for the oversight and on-going authorization of 78 charter schools, 2 direct-run schools, and 2 study centers serving the educational needs of incarcerated youth.

### **Contacting the School Board's Financial Management**

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

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Net Position  
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and Cash Equivalents	\$ -	\$ 5,649,626	\$ 5,649,626	\$ 19,299,660
Investments	-	-	-	-
Taxes Receivable				
Sales Taxes	23,268,864	-	23,268,864	-
Ad Valorem Taxes	9,365,865	-	9,365,865	-
Due from Other Governments	14,800,226	8,797	14,809,023	893,331
Internal Balances	2,016,395	(2,016,395)	-	-
Pooled Cash and Investments	159,321,344	1,365,569	160,686,913	-
Prepaid Items	705,151	-	705,151	345,631
Inventory	68,395	-	68,395	5,017
Other Receivables	382,045	2,500	384,545	355,287
Other	-	-	-	10,000
Long-Term Accounts Receivable - RSD	91,675,608	-	91,675,608	-
Loan Receivable and Accrued Interest	-	129,284,353	129,284,353	-
Restricted Investments	45,634,593	-	45,634,593	-
Capital Assets				
Land	26,606,757	1,440,992	28,047,749	-
Construction in Progress	10,897,767	-	10,897,767	-
Capital Assets, Net of Accumulated Depreciation	572,274,120	5,457,493	577,731,613	983,212
<b>Total Assets</b>	<b>957,017,130</b>	<b>141,192,935</b>	<b>1,098,210,065</b>	<b>21,892,138</b>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows on Pension Obligation	8,163,874	-	8,163,874	-
<b>Total Deferred Outflows of Resources</b>	<b>8,163,874</b>	<b>-</b>	<b>8,163,874</b>	<b>-</b>
<b>Liabilities</b>				
Accounts Payable	5,688,252	311,069	5,999,321	1,577,568
Payroll Withholdings	1,118,663	-	1,118,663	-
Salaries Payable	367,267	-	367,267	631,694
Other Payables	1,509,644	48,476	1,558,120	144,182
Accrued Interest Payable	584,957	-	584,957	-
Due to Fiduciary Funds	717,672	-	717,672	-
Due to Other Governments	1,862,871	-	1,862,871	-
Unearned Revenues	9,748,382	-	9,748,382	96,383
Funds Held for Future Distribution	1,617,861	-	1,617,861	-
Long-Term Liabilities				
Bonds, Notes and Loans Due Within One Year	12,264,095	-	12,264,095	2,222
Bonds, Notes and Loans Due in More Than One Year	99,006,478	-	99,006,478	-
Compensated Absences Due in More Than One Year	3,464,463	-	3,464,463	-
OPEB Obligation Payable	6,233,373	-	6,233,373	-
Net Pension Liability	51,720,335	-	51,720,335	-
Claims Payable Due Within One Year	-	-	-	-
Claims Payable Due in More Than One Year	45,399,586	59,296	45,458,882	-
<b>Total Liabilities</b>	<b>241,303,899</b>	<b>418,841</b>	<b>241,722,740</b>	<b>2,452,049</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Net Position (Continued)  
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Deferred Inflows of Resources</b>				
Deferred Inflows on Pension Obligation	9,899,168	-	9,899,168	-
Deferred Inflows on OPEB Obligation	155,017	-	155,017	-
<b>Total Deferred Inflows of Resources</b>	<b>10,054,185</b>	<b>-</b>	<b>10,054,185</b>	<b>-</b>
<b>Net Position</b>				
Net Investment in Capital Assets	589,598,722	6,898,485	596,497,207	983,212
Restricted for:				
Debt Service	74,415,686	-	74,415,686	-
Capital Projects	51,209,066	-	51,209,066	-
Instructional Services	-	-	-	57,570
Student Activities	-	-	-	118,147
Unrestricted	(1,400,554)	133,875,609	132,475,055	18,281,160
<b>Total Net Position</b>	<b>\$ 713,822,920</b>	<b>\$ 140,774,094</b>	<b>\$ 854,597,014</b>	<b>\$ 19,440,089</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Activities  
Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Governmental Activities</b>								
Instruction								
Regular Education Programs	\$ 16,385,886	\$ -	\$ 4,448,242	\$ 1,327,706	\$ (10,609,938)	\$ -	\$ (10,609,938)	\$ -
Special Education Programs	5,896,471	-	4,206,116	477,776	(1,212,579)	-	(1,212,579)	-
Other Education Programs	13,294,896	-	27,493,562	1,077,251	15,275,917	-	15,275,917	-
Support Services								
Student Services	6,861,210	-	9,419,120	555,946	3,113,856	-	3,113,856	-
Instructional Staff Support	5,155,020	-	9,680,869	417,698	4,943,547	-	4,943,547	-
General Administration Services	22,164,593	-	514,709	1,795,940	(19,853,944)	-	(19,853,944)	-
School Administration Services	4,680,218	-	108,685	379,226	(4,192,307)	-	(4,192,307)	-
Business Services	2,116,559	-	61,687	171,499	(1,883,373)	-	(1,883,373)	-
Student Transportation Services	4,068,820	-	116,396	329,686	(3,622,738)	-	(3,622,738)	-
Central Services	4,069,937	-	270,191	329,777	(3,469,969)	-	(3,469,969)	-
Plant Services	10,633,349	-	246,929	861,593	(9,524,827)	-	(9,524,827)	-
Other	1,627,875	-	-	-	(1,627,875)	-	(1,627,875)	-
Food Services	4,291,312	119,571	4,813,688	-	641,947	-	641,947	-
Transfer to RSD Schools	234,846,691	-	-	-	(234,846,691)	-	(234,846,691)	-
Transfer to Charter Schools	34,195,443	-	-	-	(34,195,443)	-	(34,195,443)	-
Interest on Long-Term Debt	935,816	-	-	-	(935,816)	-	(935,816)	-
<b>Total Governmental Activities</b>	<b>371,224,096</b>	<b>119,571</b>	<b>61,380,194</b>	<b>7,724,098</b>	<b>(302,000,233)</b>	<b>-</b>	<b>(302,000,233)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Rental Properties	1,899,308	1,267,189	-	-	-	(632,119)	(632,119)	-
Transfer to Other LEA	1,719,964	-	-	-	-	(1,719,964)	(1,719,964)	-
<b>Total Business-Type Activities</b>	<b>3,619,272</b>	<b>1,267,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,352,083)</b>	<b>(2,352,083)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>374,843,368</b>	<b>1,386,760</b>	<b>61,380,194</b>	<b>7,724,098</b>	<b>(302,000,233)</b>	<b>(2,352,083)</b>	<b>(304,352,316)</b>	<b>-</b>
<b>Component Units</b>								
Warren Easton Senior High School	12,349,568	-	-	-	-	-	-	(12,349,568)
Hynes Charter School Corporation	7,841,921	-	-	-	-	-	-	(7,841,921)
Homer A Plessy Community School	3,434,159	-	-	-	-	-	-	(3,434,159)
Cypress Academy	2,664,720	-	-	-	-	-	-	(2,664,720)
Elan Academy Charter School	1,149,339	-	-	-	-	-	-	(1,149,339)
Rooted School	1,422,903	-	-	-	-	-	-	(1,422,903)
Foundation Preparatory	1,847,569	-	-	-	-	-	-	(1,847,569)
<b>Total Component Units</b>	<b>30,710,179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,710,179)</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Activities (Continued)  
Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Business-Type Activities	
Net Expenses from Previous Page					(302,000,233)	(2,352,063)	(304,352,316)
General Revenues							
Taxes							
Ad Valorem (Property) Taxes					169,281,560	-	169,281,560
Sales and Use Taxes					139,638,108	-	139,638,108
State Revenue Sharing					2,839,496	-	2,839,496
Minimum Foundation Program (MFP)					24,693,985	-	24,693,985
Minimum Foundation Program and Local Share					-	-	21,469,573
Orleans Parish School Board, State and Other Grants and Contracts					-	-	4,064,162
Interest and Investment Earnings					870,048	2,042,398	2,912,446
Gain on Sale of Capital Assets					-	32,111,655	32,111,655
Internal Service Funds Net Operating Loss					-	-	-
Contributions and Donations					158,318,974	10,522,119	168,841,093
Judgments					25,548	-	25,548
Proceeds from Insurance Settlement					169,130	-	169,130
Miscellaneous					34,467,391	-	34,467,391
Transfers					-	-	-
Total General Revenues, Transfers and Special Items					530,304,240	44,676,172	574,980,412
Change in Net Position					228,304,007	42,324,069	270,628,096
Net Position - June 30, 2017					492,107,542	98,450,005	590,557,547
Prior Period Adjustment - Other Postemployment Benefit Obligation					(6,588,629)	-	(6,588,629)
Net Position - June 30, 2017 - Restated					485,518,913	98,450,005	583,968,918
Net Position - June 30, 2018					\$ 713,822,920	\$ 140,774,094	\$ 854,597,014

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

**BASIC FINANCIAL STATEMENTS**

**FUND FINANCIAL STATEMENTS**

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Balance Sheet  
Governmental Funds  
June 30, 2018

	General Fund	Pass-Through Fund	General Obligation Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Master Plan Fund	Facilities Preservation Fund	Federal Grant Fund	Other Governmental Funds	Total
<b>Assets</b>											
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable											
Sales Taxes	-	23,268,864	-	-	-	-	-	-	-	-	23,268,864
Ad Valorem Taxes	-	9,365,865	-	-	-	-	-	-	-	-	9,365,865
Due from Other Funds	1,693,169	-	-	-	-	-	2,014,162	-	-	-	3,707,331
Due from Other Governments	3,646,804	3,677,438	-	-	-	-	-	-	6,702,800	773,384	14,800,226
Equity in Pooled Cash	62,898,308	-	16,842,416	11,938,677	14,014,014	41,028,771	-	46,228,901	-	10,772,945	203,694,032
Prepaid Items and Other Assets	355,370	-	-	-	-	-	-	-	-	-	355,370
Inventory	-	-	-	-	-	-	-	-	-	68,395	68,395
Other Receivables	4,220	-	-	-	-	51,000	-	-	-	-	55,220
Restricted Investments	-	-	-	45,634,593	-	-	-	-	-	-	45,634,593
<b>Total Assets</b>	<b>\$ 68,567,671</b>	<b>\$ 36,312,167</b>	<b>\$ 16,842,416</b>	<b>\$ 57,573,270</b>	<b>\$ 14,014,014</b>	<b>\$ 41,079,771</b>	<b>\$ 2,014,162</b>	<b>\$ 46,228,901</b>	<b>\$ 6,702,800</b>	<b>\$ 11,614,724</b>	<b>\$ 300,949,896</b>
<b>Liabilities and Fund Balances</b>											
<b>Liabilities</b>											
Accounts Payable	\$ 3,008,692	\$ 149,865	\$ -	\$ -	\$ 940,968	\$ 5,878	\$ -	\$ 187,897	\$ 748,944	\$ 262,855	\$ 5,305,099
Payroll Withholdings	1,118,663	-	-	-	-	-	-	-	-	-	1,118,663
Salaries Payable	367,267	-	-	-	-	-	-	-	-	-	367,267
Due to Other Funds	-	-	-	-	-	-	1,690,936	-	-	-	1,690,936
Due to Fiduciary Funds	717,672	-	-	-	-	-	-	-	-	-	717,672
Due to Other Governments	359,833	1,111,947	-	-	-	-	362,882	-	28,209	-	1,862,871
Equity in Pooled Cash	-	33,432,494	-	-	-	-	8,463,522	-	6,034,634	306,691	48,237,341
Unearned Revenues	-	-	-	-	-	-	8,651,036	-	-	132,903	8,783,939
Funds Held for Future Distribution	-	1,617,861	-	-	-	-	-	-	-	-	1,617,861
<b>Total Liabilities</b>	<b>5,572,127</b>	<b>36,312,167</b>	<b>-</b>	<b>-</b>	<b>940,968</b>	<b>5,878</b>	<b>19,168,376</b>	<b>187,897</b>	<b>6,811,787</b>	<b>702,449</b>	<b>69,701,649</b>
<b>Fund Balances (Deficit)</b>											
Nonspendable											
Prepaid Items	355,370	-	-	-	-	-	-	-	-	-	355,370
Inventory	-	-	-	-	-	-	-	-	-	68,395	68,395
Restricted for											
Debt Service	-	-	16,842,416	57,573,270	-	-	-	-	-	-	74,415,686
Capital Projects	-	-	-	-	-	-	-	46,041,004	-	5,168,062	51,209,066
Committed for											
Capital Projects	-	-	-	-	-	41,073,893	-	-	-	-	41,073,893
Assigned to											
Special Programs	-	-	-	-	-	-	-	-	-	5,703,310	5,703,310
Unassigned	62,640,174	-	-	-	13,073,046	-	(17,154,214)	-	(108,987)	(27,492)	58,422,527
<b>Total Fund Balances (Deficit)</b>	<b>62,995,544</b>	<b>-</b>	<b>16,842,416</b>	<b>57,573,270</b>	<b>13,073,046</b>	<b>41,073,893</b>	<b>(17,154,214)</b>	<b>46,041,004</b>	<b>(108,987)</b>	<b>10,912,275</b>	<b>231,248,247</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 68,567,671</b>	<b>\$ 36,312,167</b>	<b>\$ 16,842,416</b>	<b>\$ 57,573,270</b>	<b>\$ 14,014,014</b>	<b>\$ 41,079,771</b>	<b>\$ 2,014,162</b>	<b>\$ 46,228,901</b>	<b>\$ 6,702,800</b>	<b>\$ 11,614,724</b>	<b>\$ 300,949,896</b>

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



ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2018

<b>Total Fund Balances at June 30, 2018 - Governmental Funds</b>		<b>\$ 231,248,247</b>
Cost of Capital Assets at June 30, 2018	696,871,252	
Less: Accumulated Depreciation as of June 30, 2018		
Buildings	(75,190,508)	
Movable Property	<u>(11,902,100)</u>	609,778,644
Accounts Receivable - RSD		91,675,608
Consolidation of Internal Service Funds		1,684,019
Deferred Outflows on Pension Obligation	8,163,874	
Deferred Inflows on Pension Obligation	<u>(9,899,168)</u>	(1,735,294)
Deferred Inflows on OPEB Obligation		(155,017)
Short-Term Interest Payable		(584,957)
Long-Term Liabilities at June 30, 2018		
Bonds Payable	(109,415,000)	
Bond Premium	(1,855,573)	
Claims Payable	(45,399,586)	
OPEB Obligation Payable	(6,233,373)	
Pension Obligation Payable	(51,720,335)	
Compensated Absences Payable	<u>(3,464,463)</u>	<u>(218,088,330)</u>
<b>Total Net Position at June 30, 2018 - Governmental Activities</b>		<b>\$ <u>713,822,920</u></b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
Fiscal Year Ended June 30, 2018

	General Fund	Pass-Through Fund	General Obligation Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Master Plan Fund	Facilities Preservation Fund	Federal Grant Fund	Other Governmental Funds	Total
<b>Revenues</b>											
Local Sources											
Ad Valorem Taxes	\$ 8,765,864	\$ 142,158,847	\$ 10,533,610	\$ -	\$ -	\$ -	\$ -	\$ 7,823,239	\$ -	\$ -	\$ 169,281,560
Sales and Use Tax	7,042,234	110,773,583	-	11,735,260	-	-	-	10,087,031	-	-	139,638,108
Earnings on Investments	273,995	-	-	562,921	-	-	33,132	-	-	-	870,048
Food Services	-	-	-	-	-	-	-	-	-	119,571	119,571
Donations	331,867	-	-	-	-	-	39,091,419	-	-	1,392,591	40,815,877
Other	10,680,327	7,588	-	-	-	4,931,733	-	18,007,081	546,955	293,707	34,467,391
State and Federal Sources											
Minimum Foundation Program	12,142,680	12,551,305	-	-	-	-	-	-	-	-	24,693,985
State Revenue Sharing	2,839,496	-	-	-	-	-	-	-	-	-	2,839,496
Other	1,350,431	-	-	-	-	-	-	-	133,846	729,421	2,213,698
Federal Sources	62,888	-	-	-	6,374,099	-	-	-	14,824,040	4,813,688	26,074,715
<b>Total Revenues</b>	<b>43,489,782</b>	<b>265,491,323</b>	<b>10,533,610</b>	<b>12,298,181</b>	<b>6,374,099</b>	<b>4,931,733</b>	<b>39,124,551</b>	<b>35,917,351</b>	<b>15,504,841</b>	<b>7,348,978</b>	<b>441,014,449</b>
<b>Expenditures</b>											
Current											
Instruction											
Regular Programs	11,754,289	-	-	-	-	-	-	-	1,070,174	169,987	12,994,450
Special Programs	3,605,503	-	-	-	-	-	-	-	1,070,559	-	4,676,062
Other Programs	2,737,877	-	-	-	-	-	-	-	7,152,033	653,301	10,543,211
Support											
Student Services	3,002,389	-	-	-	-	-	-	-	2,436,150	2,586	5,441,125
Instructional Staff Support	1,547,513	-	-	-	20,340	-	-	-	2,515,437	4,780	4,088,070
General Administration	5,480,021	9,709,868	421,509	190,084	-	59,718	1,241,979	473,941	-	-	17,577,120
School Administration	3,659,202	-	-	-	-	-	-	-	-	52,337	3,711,539
Business Services	1,650,243	-	-	-	22,146	-	-	-	3,298	2,801	1,678,488
Student Transportation Services	3,220,920	-	-	-	-	-	-	-	5,764	-	3,226,684
Central Services	3,181,351	-	-	-	-	-	-	-	46,219	-	3,227,570
Plant Services	7,050,519	-	-	-	-	402,828	-	803,942	-	175,243	8,432,532
Food Services	-	-	-	-	-	-	-	-	-	4,291,312	4,291,312
Capital Outlay	-	-	-	-	4,601,969	1,707,776	-	249,064	-	1,359,257	7,918,066
Other	1,627,875	-	-	-	-	-	-	-	-	-	1,627,875
Debt Service											
Principal Retirement	-	-	10,880,000	-	-	-	-	-	-	-	10,880,000
Interest and Bank Charges	-	-	1,730,000	234,793	-	-	-	-	-	-	1,964,793
<b>Total Expenditures</b>	<b>48,517,702</b>	<b>9,709,868</b>	<b>13,031,509</b>	<b>424,877</b>	<b>4,644,455</b>	<b>2,170,322</b>	<b>1,241,979</b>	<b>1,526,947</b>	<b>14,299,634</b>	<b>6,711,604</b>	<b>102,278,897</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,027,920)</b>	<b>255,781,455</b>	<b>(2,497,899)</b>	<b>11,873,304</b>	<b>1,729,644</b>	<b>2,761,411</b>	<b>37,882,572</b>	<b>34,390,404</b>	<b>1,205,207</b>	<b>637,374</b>	<b>338,735,552</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Revenues, Expenditures and  
Changes in Fund Balances (Continued)  
Governmental Funds  
Fiscal Year Ended June 30, 2018

	General Fund	Pass-Through Fund	General Obligation Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	Master Plan Fund	Facilities Preservation Fund	Federal Grant Fund	Other Governmental Funds	Total
<b>Other Financing Sources (Uses)</b>											
Proceeds from Insurance Settlements	169,130	-	-	-	-	-	-	-	-	-	169,130
Judgments	25,548	-	-	-	-	-	-	-	-	-	25,548
Transfers In	3,155,488	-	-	-	-	-	-	-	-	-	3,155,488
Transfers Out	-	-	-	-	-	-	-	-	(1,111,190)	(2,044,298)	(3,155,488)
Transfers Out - Charter Schools	-	(30,934,012)	-	-	-	-	-	-	-	(3,261,431)	(34,195,443)
Transfers Out - Recovery School District	-	(224,847,443)	-	-	-	-	-	(9,999,248)	-	-	(234,846,691)
<b>Total Other Financing Sources (Uses)</b>	3,350,166	(255,781,455)	-	-	-	-	-	(9,999,248)	(1,111,190)	(5,305,729)	(268,847,456)
<b>Net Change in Fund Balances</b>	(1,677,754)	-	(2,497,899)	11,873,304	1,729,644	2,761,411	37,882,572	24,391,156	94,017	(4,668,355)	69,888,096
<b>Fund Balances, June 30, 2017</b>	64,673,298	-	19,340,315	45,699,966	11,343,402	38,312,482	(55,036,786)	21,649,848	(203,004)	15,580,630	161,360,151
<b>Fund Balances, June 30, 2018</b>	\$ 62,995,544	\$ -	\$ 16,842,416	\$ 57,573,270	\$ 13,073,046	\$ 41,073,893	\$ (17,154,214)	\$ 46,041,004	\$ (108,987)	\$ 10,912,275	\$ 231,248,247

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

**ORLEANS PARISH SCHOOL BOARD**  
**NEW ORLEANS, LOUISIANA**  
**Reconciliation of the Governmental Funds Statement of**  
**Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**Fiscal Year Ended June 30, 2018**

<b>Excess of Expenditures and Other Uses Over Revenues and</b>		
<b>Other Financing Sources - Total Governmental Funds</b>		<b>\$ 69,888,096</b>
Capital Assets		
Capital Outlay and Other Expenditures Capitalized	6,425,254	
Assets Returned from the RSD	176,541,669	
Depreciation Expense for Year Ended June 30, 2018	<u>(5,671,571)</u>	177,295,352
Change in Net Assets of Internal Service Funds		-
Reduction in Due from the RSD due to Assets Returned		(18,222,695)
GASB 68 requires a prescribed method of pension expense recognition within the School System's government-wide financial statements.		2,631,257
GASB 75 requires a prescribed method of other postemployment benefits expense recognition within the School System's government-wide financial statements.		162,878
Long-Term Debt		
Bond Premium, Net	844,095	
Principal Portion of Debt Service and Capital Lease Payments	10,880,000	
Decrease in Accrued Interest	184,878	
Increase in Estimate of Long-Term Claims Payable	(14,094,812)	
Excess of Compensated Absences Earned Over Amounts Used	<u>(1,265,042)</u>	<u>(3,450,881)</u>
<b>Change in Net Position - Governmental Activities</b>		<b><u>\$ 228,304,007</u></b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Orleans Schools			Internal
	Timbers	Facility Foundation	Totals	Service
<b>Assets</b>				
Current				
Cash and Cash Equivalents	\$ -	\$ 5,649,626	\$ 5,649,626	\$ -
Equity in Pooled Cash	1,365,569	-	1,365,569	3,904,445
Other Receivables	2,500	-	2,500	326,825
Due from Other Funds	-	1,690,936	1,690,936	-
Due from Other Governments	8,797	-	8,797	-
Loan Receivable and Accrued Interest	-	4,304,031	4,304,031	-
Prepaid Items and Other Assets	-	-	-	349,781
Noncurrent				
Loan Receivable	-	124,980,322	124,980,322	-
Capital Assets				
Land	1,440,992	-	1,440,992	-
Net Investment in Capital Assets	5,457,493	-	5,457,493	-
<b>Total Assets</b>	<b>8,275,351</b>	<b>136,624,915</b>	<b>144,900,266</b>	<b>4,581,051</b>
<b>Liabilities and Net Position</b>				
<b>Liabilities</b>				
Current				
Accounts Payable	311,069	-	311,069	383,153
Deposit Payable	48,476	-	48,476	-
Due to Other Funds	-	3,707,331	3,707,331	-
Equity in Pooled Cash	-	-	-	39,792
Noncurrent				
Claims Payable	-	59,296	59,296	1,509,644
Unearned Revenue	-	-	-	964,443
<b>Total Liabilities</b>	<b>359,545</b>	<b>3,766,627</b>	<b>4,126,172</b>	<b>2,897,032</b>
<b>Net Position</b>				
Unrestricted	7,915,806	132,858,288	140,774,094	1,684,019
<b>Total Net Position</b>	<b>\$ 7,915,806</b>	<b>\$ 132,858,288</b>	<b>\$ 140,774,094</b>	<b>\$ 1,684,019</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Revenues, Expenses  
and Changes in Net Position  
Proprietary Funds  
Fiscal Year Ended June 30, 2018

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Orleans Schools			Internal
	Timbers	Facility Foundation	Totals	Service
<b>Operating Revenues</b>				
Employer Contributions	\$ -	\$ -	\$ -	\$ 6,109,367
Retiree Contributions	-	-	-	951,193
Employee Contributions	-	-	-	18,061
Workers Compensation Reimbursement	-	-	-	406,362
Rental Income	1,266,643	-	1,266,643	-
Other Miscellaneous	546	-	546	-
<b>Total Operating Revenues</b>	<b>1,267,189</b>	<b>-</b>	<b>1,267,189</b>	<b>7,484,983</b>
<b>Operating Expenses</b>				
Business Services	121,909	-	121,909	-
Central Services	-	-	-	6,630,858
Plant Services	1,709,050	-	1,709,050	-
General Administrative	2,653	-	2,653	854,125
Capital Outlay	5,195	60,501	65,696	-
<b>Total Operating Expenses</b>	<b>1,838,807</b>	<b>60,501</b>	<b>1,899,308</b>	<b>7,484,983</b>
<b>Operating Loss</b>	<b>(571,618)</b>	<b>(60,501)</b>	<b>(632,119)</b>	<b>-</b>
<b>Nonoperating Revenues</b>				
Interest Income	-	2,042,398	2,042,398	-
Contributions and Donations	-	10,522,119	10,522,119	-
Gain on Sale of Capital Assets	-	32,111,655	32,111,655	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Transfers Out - Other LEA	-	(1,719,964)	(1,719,964)	-
<b>Total Nonoperating Revenues</b>	<b>-</b>	<b>42,956,208</b>	<b>42,956,208</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(571,618)</b>	<b>42,895,707</b>	<b>42,324,089</b>	<b>-</b>
<b>Net Position - Beginning</b>	<b>8,487,424</b>	<b>89,962,581</b>	<b>98,450,005</b>	<b>1,684,019</b>
<b>Net Position - Ending</b>	<b>\$ 7,915,806</b>	<b>\$ 132,858,288</b>	<b>\$ 140,774,094</b>	<b>\$ 1,684,019</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Cash Flows  
Proprietary Funds  
Fiscal Year Ended June 30, 2018

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
<b>Cash Flows from Operating Activities</b>				
Cash Premiums Received	\$ -	\$ -	\$ -	\$ 7,355,235
Receipts from Customers	1,725,695	-	1,725,695	-
Payments for Claims and Benefits	-	-	-	(7,355,235)
Payments to Suppliers	(1,336,817)	(60,501)	(1,397,318)	-
Payments to Employees and for Employee Benefits	(388,878)	-	(388,878)	-
<b>Net Cash Used in Operating Activities</b>	-	(60,501)	(60,501)	-
<b>Cash Flows from Capital and Related Financing Activities</b>				
Contributions and Donations	-	10,522,119	10,522,119	-
Proceeds from Sale of Capital Assets	-	32,111,655	32,111,655	-
Purchase of Capital Assets	-	-	-	-
<b>Net Cash Provided by Capital and Related Financing Activities</b>	-	42,633,774	42,633,774	-
<b>Cash Flows from Investing Activities</b>				
Cash Receipts from Loan Collections	-	613,304	613,304	-
Cash Payments for Loans to Others	-	(47,612,396)	(47,612,396)	-
Interest Income	-	600,187	600,187	-
<b>Net Cash Used in Investing Activities</b>	-	(46,398,905)	(46,398,905)	-
<b>Net Decrease in Cash</b>	-	(3,825,632)	(3,825,632)	-
<b>Cash at Beginning of Year</b>	-	9,475,258	9,475,258	-
<b>Cash at End of Year</b>	\$ -	\$ 5,649,626	\$ 5,649,626	\$ -

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Statement of Cash Flows (Continued)  
Proprietary Funds  
Fiscal Year Ended June 30, 2018

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Orleans Schools			Internal
	Timbers	Facility Foundation	Totals	Service
Reconciliation of Operating Loss to Net Cash Used in Operating Activities				
Operating Loss	\$ (571,618)	\$ (60,501)	\$ (632,119)	\$ -
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:				
Depreciation	121,909	-	121,909	-
Changes in:				
Equity in Pooled Cash	613,494	-	613,494	1,039,265
Other Receivables	(8,797)	-	(8,797)	(83,966)
Prepaid Items and Other Assets	-	-	-	329,658
Accounts Payable	(154,988)	-	(154,988)	(102,212)
Unearned Revenue	-	-	-	(441,737)
Deposits Payable	-	-	-	-
Claims Payable	-	-	-	(741,008)
Net Cash Used in Operating Activities	\$ -	\$ (60,501)	\$ (60,501)	\$ -

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



ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2018

	Trust Funds	Agency Funds
<b>Assets</b>		
Cash	\$ -	\$ 221,990
Investments	298,637	-
Due from Other Funds	716,759	913
<b>Total Assets</b>	<u>1,015,396</u>	<u>222,903</u>
<b>Liabilities</b>		
Accounts Payable	157,135	-
Due to Student Groups	-	222,903
<b>Total Liabilities</b>	<u>157,135</u>	<u>222,903</u>
<b>Net Position</b>		
Held in Trust for Various Purposes	<u>\$ 858,261</u>	<u>\$ -</u>

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

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Fiscal Year Ended June 30, 2018

	<b>Trust Funds</b>
<b>Additions</b>	
Other Miscellaneous	\$ 1,196,000
Interest and Investment Gain	<u>29,824</u>
<b>Total Additions</b>	<u>1,225,824</u>
<b>Deductions</b>	
Instruction	
Special Programs	1,197,892
Support	
Business Services	<u>800</u>
<b>Total Deductions</b>	<u>1,198,692</u>
<b>Change in Net Position</b>	<u>27,132</u>
<b>Net Position - Beginning</b>	<u>831,129</u>
<b>Net Position - Ending</b>	<u><u>\$ 858,261</u></u>

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

## **NOTES TO FINANCIAL STATEMENTS**

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

**Notes to Financial Statements**

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**Note 1. General Information**

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

As of the report date, the School Board has 590 full-time or part-time employees of which 312 are involved in the instructional process.

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

As of the report date, the School Board is operating four schools and two programs with approximately 2,500 students. The School Board also has seven charter schools opened and operating that have approximately 2,300 students. The School Board is working collaboratively with the RSD to ensure that a sufficient number of additional schools are opened to provide educational services to the New Orleans student population.

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

**Note 2. Summary of Significant Accounting Policies**

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

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

**Financial Reporting Entity**

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Financial Reporting Entity (Continued)**

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

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

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

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Financial Reporting Entity (Continued)**

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

<b>Component Units</b>	<b>Number of Students</b>
<b>Charter Schools</b>	
* Cypress Academy	153
* Foundation Preparatory	146
* Homer A. Plessy Community School	253
* Hynes Charter School	691
* Rooted School	40
* Elan Academy	58
* Warren Easton Senior High School	989
	<hr/>
<b>Total Charter Student Enrollment</b>	<b>2,330</b>
	<hr/>

\* Submitted June 30, 2018 audited financial statements.

<b>Primary Government</b>	<b>Number of Students</b>
<b>Orleans Parish School Board (OPSB) Schools</b>	
Schools:	
Bethune Elementary School	640
McDonogh No. 35 High School	860
Benjamin Franklin Elementary Math and Science	779
Mahalia Jackson Elementary School	186
Programs:	
Alternative Learning and Youth Study Center	64
	<hr/>
<b>Total OPSB Student Enrollment</b>	<b>2,529</b>
	<hr/>

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

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

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

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

**Fund Financial Statements**

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

***Fund Financial Statements (Continued)***

The daily accounts and operations of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the School Board are classified into three broad categories: Governmental, Proprietary and Fiduciary. In turn, each category is divided into separate fund types.

***Governmental Fund Types***

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

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs for various educational objectives and child nutrition services.

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

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

***Proprietary Fund Types***

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

*Enterprise Fund - Orleans Schools Facility Foundation* - An enterprise fund established to account for the activity of the Orleans Schools Facilities Foundation (OSFF), a public benefit corporation of the School Board organized under the provisions of the Public School Facilities Financing Act contained in LA. R.S. 17:100.10. The purpose of OSFF is to assist in facilitating tax credit financing for the construction and renovation school buildings as described in Note 21. The Orleans Schools Facility Foundation Enterprise Fund is reported as a major fund.



ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

***Proprietary Fund Types (Continued)***

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

***Fiduciary Fund Types***

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

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

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

***Major Funds***

The School Board reports the following major governmental funds:

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

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

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

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

***Major Funds (Continued)***

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

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

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

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

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

**Basis of Accounting/Measurement Focus**

***Government-Wide Financial Statements (GWFS)***

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

***Fund Financial Statements (FFS)***

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

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

***Fund Financial Statements (FFS) (Continued)***

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

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

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

***Revenues***

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

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

***Expenditures***

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

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Budget and Budgetary Accounting**

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

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

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

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

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

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

**Encumbrances**

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

**Cash, Cash Equivalents and Investments**

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Cash, Cash Equivalents and Investments (Continued)**

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

Investments for the School Board are reported at fair value.

**Accounts Receivable**

Management has recorded a \$230,353 allowance for Federal Grant Fund receivables. Management considers all other receivables outstanding at June 30, 2018, to be fully collectible and as such, has no provision for uncollectible receivables recorded related to these receivables.

**Inventory - Government-Wide Level**

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

**Inventory - Fund Level**

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

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

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

For those schools that are returned to and accepted by the School Board from the RSD, Long-Term Accounts Receivable - RSD is reduced and capital assets are increased by the net book value of the land, buildings and equipment that were initially transferred to the RSD. Management will then perform an assessment to determine whether the land, buildings and equipment (the facilities) have incurred impairment, as well as perform an assessment to determine whether any significant enhancements or improvements have been made to the facilities.

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

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

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

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

During the year ended June 30, 2018, there were thirteen properties were transferred from the RSD to the School Board.

**Capital Assets**

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

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

**Receivables and Payables**

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

**Net Position Classifications**

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

- a. Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

Notes to Financial Statements

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Net Position Classifications (Continued)**

- b. Restricted net position – This component consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**Fund Equity**

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

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

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

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

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

*Unassigned* – amounts that are available for any purpose.

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

**Interfund Transactions**

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

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

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

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

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

**Unearned Revenues**

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

**Funds Held For Future Distribution**

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

**Long-Term Obligations**

For government-wide reporting, the issuance costs associated with the bonds are considered an outflow of resources in the reporting period in which they are incurred in accordance with GASB Statement No. 65.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Restricted Net Position**

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

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



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

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Estimates**

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

**Pension Plans (Plans)**

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

**Adoption of New Accounting Principles**

For the year ended June 30, 2018, the following statements were implemented:

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

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits [OPEB]). This implementation did not significantly impact the financial statements or related notes.

GASB Statement No. 86, *Certain Debt Extinguishment Issue*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This implementation did not significantly impact the financial statements or notes.

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 3. Deposits and Investments

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits are secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the School Board's name. At June 30, 2018, the carrying amount of the School Board's deposits (demand deposits) was \$166,336,539 and the related bank balances were \$166,943,103. The bank balance of \$166,943,103 was covered by federal depository insurance or secured by bank owned securities specifically pledged to the School Board and held in joint custody by an independent bank or trust department.

In addition, six schools maintained Student Activity Funds with book and bank balances at June 30, 2018 of \$221,990 and \$208,354, respectively. The bank balances of these accounts were secured by federal depository insurance and the pledge of securities held by the pledging bank's agent in the School Board's name. These funds are not assets of the School Board, but rather assets held for the benefit of the students attending those schools and are reported as Agency Funds in the Other Supplementary Information section and not included in the GWFS.

**Investments**

As of June 30, 2018, assets classified as investments exist in the QSCB Fund and in the Fiduciary Trust Fund. The assets in each fund are invested in accordance with the investment policies of each plan. The assets are as follows:

	2018
U.S. Treasury Notes	\$ 44,893,571
Marketable Securities	298,637
Cash Held in Investments	741,022
<b>Total Investments</b>	<b>\$ 45,933,230</b>

As of June 30, 2018, the debt maturities of the QSCB Fund's investments in debt securities were as follows:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Notes	\$ 44,893,571	\$ -	\$ 44,893,571	\$ -	\$ -
<b>Total</b>	<b>\$ 44,893,571</b>	<b>\$ -</b>	<b>\$ 44,893,571</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

**Notes to Financial Statements**

**Note 3. Deposits and Investments (Continued)**

**Investments (Continued)**

*Credit risk.* State law limits investments to the following:

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

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

**Fair Value Measurement**

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

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

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Mortgage and asset backed securities classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager. The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2018:

	Fair Value Measurements Using:			
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total June 30, 2018
<b>Investments by Fair Value Level</b>				
U.S. Treasury Notes	\$ -	\$ 44,893,571	\$ -	\$ 44,893,571
Marketable Securities	298,637	-	-	298,637
<b>Total Investments by Fair Value Level</b>	<b>\$ 298,637</b>	<b>\$ 44,893,571</b>	<b>\$ -</b>	<b>\$ 45,192,208</b>

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

**Note 4. Ad Valorem Taxes and Sales Taxes**

Ad valorem taxes were levied by the School Board in October 2017 for the calendar year 2018 based on the assessed valuation of property as of October 2017. Values are established by the Orleans Parish Assessors' Offices each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property. The taxes become due on January 1 of each year, and become delinquent on February 1. Before the taxes can be collected, the assessment list (tax roll) must be submitted to the Louisiana Tax Commission for approval. From the day the tax roll is filed in the Board of Tax Commission, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the year for the payment of the tax due on it. Ad valorem taxes are collected by the City of New Orleans and remitted to the School Board on a periodic basis. The taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the School Board's fiscal year.

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

		<b>Authorized Millage</b>	<b>Levied Millage</b>	<b>Expires</b>
<b>Constitutional Millage</b>		27.65	27.65	Not Applicable
<b>Dedicated Millage</b>				
Purpose A	School Books, Materials and Supplies	1.550	1.550	2018
Purpose B	Early Childhood, Discipline and Dropout Programs	1.550	1.550	2018
Purpose C	Employee Salary, Benefits and Incentives	7.270	7.270	2018
Purpose D	Air Conditioning, Asbestos Removal and Facilities	2.320	2.320	2028
<b>School Board General Obligation Bond Taxes</b>		2.850	2.850	2025
<b>School Board Capital Repair Millage</b>		<u>2.120</u>	<u>2.120</u>	2035
<b>Total Millage</b>		<u>45.31</u>	<u>45.31</u>	

**ORLEANS PARISH SCHOOL BOARD  
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**Notes to Financial Statements**

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

All ad valorem taxes are recorded on the basis explained in Note 2. For governmental funds, revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end. The School Board records these taxes gross of the Assessor's and City's collection fees, which amounted to \$3,433,607 and \$3,252,573, respectively, for the year ended June 30, 2018.

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

Sales taxes are assessed and due on the first day of the month subsequent to the month of sale of any retail sales of goods used or consumed within Orleans Parish, including leases and rentals of movable tangible property. The rate of sales tax dedicated to the School Board is one and one-half percent. Revenues arising from the one percent sales tax authorized by the voters of Orleans Parish in 1966 are used exclusively for the payment of salaries of teachers and/or for the general operations of the School Board. The proceeds of the one-half percent sales tax, which was authorized in 1980, are used for the payment of salaries of teachers and other educational employees of the School Board, for the expenses of maintaining and operating schools and for providing funds to pay for capital improvements.

Sales taxes which remain uncollected on the twenty-first day of the month due are classified as delinquent. Sales taxes are collected by the City of New Orleans and the State of Louisiana and are remitted monthly to the School Board. The School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees, which amounted to \$2,110,170, for the year ended June 30, 2018.

**Note 5. Loans Receivable**

On April 1, 2013, as part of a New Market Tax Credit (NMTC) transaction, further described in Note 21, the OSFF advanced \$6,948,587 to Wheatley NMTC Investment Fund, LLC in the form of a subordinate loan note. The note accrues interest at 1.40% and the maturity date is March 11, 2048. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and others charges are due. Interest earned for the year ended June 30, 2018 totaled \$97,450. The loan is collateralized by a grant of a first position security interest in all of Wheatley NMTC Investment Fund LLC rights, title and interest in its 100% membership interest in the Sub-CDE.

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

Note 5. Loans Receivable (Continued)

Future maturities are as follows:

<b>Fiscal Year</b>	
<b>Ending June 30,</b>	<b>Principal</b>
2019	\$ -
2020	81,833
2021	166,238
2022	171,434
2023	176,735
Thereafter	6,352,347
<b>Total</b>	<b>\$ 6,948,587</b>

On October 22, 2013, as part of a NMTC transaction, further described in Note 21, the OSFF advanced \$6,849,000 to McDonogh Elementary Investment Fund, LLC in the form of a subordinate loan note. The note accrues interest at 0.78% and the maturity date is October 23, 2045. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and others charges are due. Interest earned for the year ended June 30, 2018 totaled \$53,444. The loan is collateralized by a grant of a first position security interest in all of McDonogh Elementary Investment Fund, LLC rights, title and interest in its 99.99% membership interest in the Sub-CDE.

Future maturities are as follows:

<b>Fiscal Year</b>	
<b>Ending June 30,</b>	<b>Principal</b>
2019	\$ -
2020	23,458
2021	148,191
2022	250,444
2023	252,404
Thereafter	6,174,503
<b>Total</b>	<b>\$ 6,849,000</b>

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

**Note 5. Loans Receivable (Continued)**

On May 19, 2015, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$6,296,500 to COCRF Investor 41, LLC in the form of a subordinate loan note. The note accrues interest at 1.43% and the maturity date is June 10, 2040. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2018 totaled \$89,993. The loan is collateralized by a multiple indebtedness leasehold mortgage, pledge of leases and rents and security agreement under Uniform Commercial Code covering certain assets.

Future maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>
2019	\$ -
2020	-
2021	-
2022	39,764
2023	185,429
Thereafter	6,071,307
<b>Total</b>	<b>\$ 6,296,500</b>

On February 27, 2015, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$18,997,332 to Drew Elementary School Facility (DESF) in the form of a subordinate loan note. The note accrues interest at 3.0% and the maturity date is February 27, 2045. Interest only payments are due monthly through April 30, 2015, with principal and interest payments due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2018 totaled \$536,319. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>
2019	\$ 771,525
2020	480,900
2021	501,204
2022	516,012
2023	530,820
Thereafter	15,133,446
<b>Total</b>	<b>\$ 17,933,907</b>

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

**Note 5. Loans Receivable (Continued)**

On April 28, 2016, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$28,952,908 to SBW School Facility L.L.C. (SBWSF) in the form of a subordinate loan note. The note accrues interest at 2.23% and the maturity date is April 27, 2046. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2018 totaled \$621,823. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>
2019	\$ 1,193,109
2020	737,423
2021	754,036
2022	771,024
2023	788,395
Thereafter	23,729,035
<b>Total</b>	<b>\$ 27,973,022</b>

On June 14, 2017, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$13,868,212 to COCRF Investor 82, LLC in the form of a subordinate loan note. The note accrues interest at 1.43% and the maturity date is June 13, 2047. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2018 totaled \$108,585. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	13,868,212
<b>Total</b>	<b>\$ 13,868,212</b>



ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

**Note 5. Loans Receivable (Continued)**

On December 28, 2017, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$17,603,367 to Tubman School Facilities, L.L.C. in the form of a subordinate loan note. The note accrues interest at 2.61% and the maturity date is December 27, 2052. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2018 totaled \$195,751. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>
2019	\$ 236,133
2020	264,852
2021	272,636
2022	280,648
2023	288,896
Thereafter	16,260,202
<b>Total</b>	<b>\$ 17,603,367</b>

On December 28, 2017, as part of a tax credit transaction, further described in Note 21, the OSFF advanced \$30,009,030 to John MC Facilities, L.L.C. in the form of a subordinate loan note. The note accrues interest at 2.61% and the maturity date is December 27, 2052. Principal and interest payments are due annually for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2018 totaled \$339,241. The loan is collateralized by a grant of a first position security interest in the leasehold estate, including the land and building.

Future maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>
2019	\$ 300,536
2020	370,351
2021	381,235
2022	392,439
2023	403,972
Thereafter	28,160,497
<b>Total</b>	<b>\$ 30,009,030</b>

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

Note 6. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2018, are as follows:

	Land*	Buildings and Improvements	Furniture and Equipment	Construction in Progress*	Total
<b>Governmental Activities</b>					
<b>Assets at Cost</b>					
Balance at June 30, 2017	\$ 25,480,923	\$ 459,685,537	\$ 13,444,500	\$ 15,293,369	\$ 513,904,329
Additions	-	3,667,070	5,975	2,752,209	6,425,254
Deletions	-	-	-	-	-
Transfers	-	7,147,811	-	(7,147,811)	-
Transfers from RSD	1,125,834	164,052,835	11,363,000	-	176,541,669
Balance at June 30, 2018	26,606,757	634,553,253	24,813,475	10,897,767	696,871,252
<b>Accumulated Depreciation</b>					
Balance at June 30, 2017	-	70,004,385	11,416,652	-	81,421,037
Additions	-	5,186,123	485,448	-	5,671,571
Deletions	-	-	-	-	-
Balance at June 30, 2018	-	75,190,508	11,902,100	-	87,092,608
<b>Total Governmental Activities</b>					
<b>Capital Assets, Net of Accumulated Depreciation at June 30, 2018</b>					
	\$ 26,606,757	\$ 559,362,745	\$ 12,911,375	\$ 10,897,767	\$ 609,778,644
<b>Business-Type Activities</b>					
<b>Assets at Cost</b>					
Balance at June 30, 2017	\$ 1,440,992	\$ 6,372,157	\$ -	\$ -	\$ 7,813,149
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Transfers	-	-	-	-	-
Transfers from RSD	-	-	-	-	-
Balance at June 30, 2018	1,440,992	6,372,157	-	-	7,813,149
<b>Accumulated Depreciation</b>					
Balance at June 30, 2017	-	792,755	-	-	792,755
Additions	-	121,909	-	-	121,909
Deletions	-	-	-	-	-
Balance at June 30, 2018	-	914,664	-	-	914,664
<b>Total Business-Type Activities</b>					
<b>Capital Assets, Net of Accumulated Depreciation at June 30, 2018</b>					
	\$ 1,440,992	\$ 5,457,493	\$ -	\$ -	\$ 6,898,485
<b>Total Primary Government</b>					
<b>Capital Assets, Net of Accumulated Depreciation at June 30, 2018</b>					
	\$ 28,047,749	\$ 564,820,238	\$ 12,911,375	\$ 10,897,767	\$ 616,677,129

\* Not being depreciated

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

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**Note 6. Capital Assets (Continued)**

The School Board reviewed its capital assets and noted no impairment as of June 30, 2018.

Depreciation expense for the year ended June 30, 2018, was charged to the following governmental functions:

	Depreciation
<b>Instruction</b>	
Regular Education Programs	\$ 974,894
Special Education Programs	350,816
Other Education Programs	790,991
<b>Support</b>	
Student Services	408,214
Instructional Staff Services	306,703
General Administration	1,318,704
School Administration	278,454
Business and Central Services	125,927
Transportation Services	242,078
Central Services	242,145
Plant Services	632,642
<b>Total</b>	<u><u>\$ 5,671,568</u></u>

**Note 7. Pension Plans**

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

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

*Teachers' Retirement System of Louisiana*

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

Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

**Benefits Provided**

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

Normal Retirement

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

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

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

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

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

Deferred Retirement Option Program (DROP)

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

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

**Benefits Provided (Continued)**

Deferred Retirement Option Program (DROP) (Continued)

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

Disability Benefits

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

Survivor Benefits

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

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

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

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

**Permanent Benefit Increases/Cost-of-Living Adjustments**

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

**Optional Retirement Plan (ORP)**

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

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

**Contributions**

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. For ORP, only the UAL portion of the employer contribution is retained by the plan. Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer's proportionate share. The rates for the year ended June 30, 2017 (measurement date) are as follows:

<b>2017 TRSL Sub Plan</b>	<b>Employer Contributions</b>
K-12 Regular Plan	25.50%
Plan B	28.20%

<b>ORP</b>	<b>Employer UAL</b>
2017	21.2%

The School Board's contractually required composite contribution rate for the year ended June 30, 2018 was 26.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$6,426,368 for the year ended June 30, 2018.

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

Louisiana School Employees' Retirement System (LSERS)

**Plan Description**

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

**Benefits Provided**

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

Normal Retirement

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

Benefit Formula

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

Disability Benefits

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

Survivor Benefits

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

Deferred Retirement Option Program (DROP)

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

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

Initial Benefit Retirement Plan (IBRP)

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

**Permanent Benefit Increases/Cost-of-Living Adjustments**

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

**Contributions**

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the State Constitution. The actual employer rate for the year ended June 30, 2018, was 27.6%. A difference may exist due to the state statute that requires the rate to be calculated in advance. Contributions to LSERS from the School Board were \$9,148 for the year ended June 30, 2018.



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**Note 7. Pension Plans (Continued)**

*Louisiana State Employees' Retirement System (LASERS)*

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

**Benefits Provided**

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

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

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

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

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

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Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

Deferred Retirement Benefits

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

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

Disability Benefits

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

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

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Notes to Financial Statements

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**Note 7. Pension Plans (Continued)**

**Permanent Benefit Increases/Cost-of-Living Adjustments**

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

**Contributions**

Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2018, was 37.9% of annual covered payroll. The School Board's contributions paid to LASERS for the year ended June 30, 2018, was \$102,989.

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

The following schedule lists the School Board's proportionate share of the net pension liability allocated by each of the pension plans based on the June 30, 2017 measurement date, and the total pension liabilities used to calculate the net pension obligations were determined by actuarial valuations as of that date. The School Board's proportionate share of the Plans' net pension liabilities were based on projections of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<b>Net Pension Liability at June 30, 2017</b>	<b>Rate at June 30, 2017</b>	<b>Increase (Decrease) on June 30, 2017 Rate</b>
TRSL	\$ 50,084,418	0.48854%	-0.08559%
LSERS	399,487	0.06243%	0.00410%
LASERS	<u>1,236,441</u>	0.01757%	-0.00015%
	<u><u>\$ 51,720,346</u></u>		

For the year ended June 30, 2018, the School Board recognized pension expense of \$3,804,737, \$75,109 and \$216,774, for TRSL, LSERS, and LASERS, respectively, which included employer's amortization of the change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(255,389), \$-0-, \$100,828, for TRSL, LSERS, and LASERS, respectively.

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

Note 7. Pension Plans (Continued)

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

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Differences Between Expected and Actual Experience	\$ -	\$ -	\$ -	\$ 1,646,355	\$ 9,316	\$ 22,687
Changes of Assumptions	528,141	2,153	4,885	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	40,207	1,293,570	6,247	-
Changes in Proportion and Differences Between School Board Contributions and Proportionate Share of Contributions	894,024	54,358	101,601	6,912,057	8,936	-
School Board Contributions Subsequent to the Measurement Date	6,426,368	9,148	102,989	-	-	-
<b>Total</b>	<b>\$ 7,848,533</b>	<b>\$ 65,659</b>	<b>\$ 249,682</b>	<b>\$ 9,851,982</b>	<b>\$ 24,499</b>	<b>\$ 22,687</b>

An amount of \$6,538,505 is reported as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
TRSL	\$ 6,426,368
LSERS	9,148
LASERS	102,989
	<u>\$ 6,538,505</u>

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

Note 7. Pension Plans (Continued)

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

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

Year Ended June 30:	Amortization Amounts		
	TRSL	LSERS	LASERS
2019	\$ (1,474,810)	\$ 27,066	\$ 96,251
2020	\$ (1,405,234)	\$ 16,848	\$ 36,557
2021	\$ (2,647,210)	\$ 2,633	\$ 16,090
2022	\$ (2,902,563)	\$ (14,535)	\$ (24,892)

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

	TRSL	LSERS	LASERS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed	Closed
Actuarial Assumptions			
Expected Remaining Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.70%	7.125%	7.70% *
Inflation Rate	2.5% per annum	2.625%	2.75%
Projected Salary Increases	3.5% - 10.0% (varies depending on duration of service)	Based on a 2008-2012 experience study of the plan's members, with growth rates based on years of service	Varies from 2.8% - 14.3% (Based on a 2009-2013 experience study of the plan's members)
Cost-of-Living Adjustments	None	None	None
Mortality	RP-2000 Mortality Table with projection to 2025 using Scale AA	RP-2000 Sex Distinct Mortality Table	RP-2000 Combined Healthy Mortality Table
Disability	Based on a five year (2008-2012) experience study of the System's members	RP-2000 Disabled Lives Mortality Table	Based on a five year (2009-2013) experience study of the System's members
Termination	Based on a five year (2008-2012) experience study of the System's members	Based on a 2008-2012 experience study of the plan's members	Based on a five year (2009-2013) experience study of the System's members

*\*The investment rate of return used in the actuarial valuation for funding purposes was 8.16%, recognizing an additional 40 basis points for the experience account and 10 basis points to offset administrative expenses.*

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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Note 7. Pension Plans (Continued)

Actuarial Assumptions (Continued)

TRSL Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.33% for 2017. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	27%	4.28%
International Equity	19%	4.96%
Domestic Fixed Income	13%	1.98%
International Fixed Income	6%	2.75%
Private Equity	25%	8.47%
Other Private Assets	10%	3.51%
	<u>100.00%</u>	

LSERS Investments

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

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Note 7. Pension Plans (Continued)

Actuarial Assumptions (Continued)

LSEERS Investments (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017, are summarized in the following table:

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

LASERS Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash	0%	-0.24%
Domestic Equity	25%	4.31%
International Equity	32%	5.35%
Domestic Fixed Income	8%	1.73%
International Fixed Income	6%	2.49%
Alternative Investments	22%	7.41%
Global Tactical Asset Allocation	7%	2.84%
	100%	

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

**Note 7. Pension Plans (Continued)**

**Discount Rate**

The discount rates used to measure the total pension liabilities of TRSL and LASERS were 7.70% for each plan. The discount rate used to measure the total pension liability for LSERS was 7.125% for the plan. For TRSL, LSERS, and LASERS, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School Board's proportionate share of the net pension liabilities using the discount rates of 7.70% for TRSL and LASERS, and 7.125% for LSERS, as well as what the School Board's proportionate share of the net pension obligations would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
School Board's Proportionate Share of the TRSL Net Pension Liability	\$64,534,916	\$ 50,084,418	\$37,791,729
School Board's Proportionate Share of the LSERS Net Pension Liability	\$ 547,650	\$ 399,487	\$ 272,250
School Board's Proportionate Share of the LASERS Net Pension Liability	\$ 1,552,211	<u>\$ 1,236,441</u>	\$ 967,961
		<u>\$ 51,720,346</u>	

**Support of Non-Employer Contributing Entities**

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$189,372 (TRSL) \$0- (LSERS), and \$0- (LASERS) for its participation in the Plans.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net positions is available in the separately issued 2017 Comprehensive Annual Financial Report at [www.trsl.org](http://www.trsl.org), [www.lasers.net](http://www.lasers.net), and [www.lasersonline.org](http://www.lasersonline.org).

**Payables to the Pension Plans**

As of June 30, 2018, the School Board had payables to the TRSL plans of \$1,406,660, \$40,391, and \$14,344 for the TRSL Regular Plan, TRSL Plan B, and TRSL ORP, respectively, to the LSERS plan of \$1,245, and to the LASERS plan of \$24,520.



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**Note 8. Postemployment Health Care and Life Insurance Benefits**

**General Information about the OPEB Plan**

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

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

1. Employees hired on or after July 1, 2015
  - Age 62 with 5 years of service, or
  - 20 years of service at any age (actuarially reduced benefit)
2. Employees hired on or after July 1, 2011 and before July 1, 2015
  - Age 60 with 5 years of service, or
  - 20 years of service at any age (actuarially reduced benefit)
3. Employees hired on or after July 1, 1999 and before July 1, 2011
  - Age 60 with 5 years of service, or
  - Age 55 with 25 years of service, or
  - 30 years of service at any age, or
  - 20 years of service at any age (actuarially reduced benefit)
4. Employees hired before July 1, 1999
  - Age 60 with 5 years of service, or
  - 20 years of service at any age

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

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

**Total OPEB Liability**

The Board's total OPEB liability of \$6,233,373 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs* – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.87%
Salary Increase Rate	3.50%
Medical Consumer Price Index Trend	3.00%
Inflation Rate	3.00%

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Notes to Financial Statements

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

**Total OPEB Liability (Continued)**

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

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

**Changes in the Total OPEB Liability**

Balance at June 30, 2017	\$ 6,551,264
Changes for the Year:	
Service Cost	26,796
Interest Cost	246,463
Changes in Assumptions or Other Inputs	(172,352)
Benefit Payments	(418,798)
Net Changes	(317,891)
Balance at June 30, 2018	\$ 6,233,373

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB Liability	\$6,863,000	\$6,233,000	\$5,695,000

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

	1.0% Decrease (2.00%)	Current Trend (3.00%)	1.0% Increase (4.00%)
Total OPEB Liability	\$5,665,000	\$6,233,000	\$6,894,000

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Notes to Financial Statements

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

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

For the year ended June 30, 2018, the Board recognized OPEB expense of \$255,924. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions or Other Inputs	\$ -	\$ 155,017
Total	\$ -	\$ 155,017

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

**Years Ending June 30:**

2019	\$ (17,335)
2020	(17,335)
2021	(17,335)
2022	(17,335)
2023	(17,335)
T hereafter	(68,342)

**Note 9. Long-Term Obligations**

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

<b>Bonds Payable</b>	<b>Range of Interest in Remaining Years</b>	<b>Final Maturity</b>	<b>Balance as of June 30, 2018</b>
<b>Refunding Bonds</b>			
Series 2010 - Issued September 1, 2010	2.50 - 5.00%	9/1/2020	\$ 30,360,000
<b>Revenue Bonds</b>			
QSCB 2011 - Issued December 20, 2011	4.40%	2/1/2021	79,055,000
<b>Total</b>			<u>\$ 109,415,000</u>

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

**Notes to Financial Statements**

**Note 9. Long-Term Obligations (Continued)**

**Refunding Bonds**

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

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

**Revenue Bonds**

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

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

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

**Defeased Bonds**

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

**Debt Service Requirements**

The annual requirements to amortize all long-term debt outstanding at June 30, 2018, excluding capital leases, accrued compensated absences and claims payable is as follows:

Year Ending June 30,	Refunding Bonds		Revenue Bonds		Total - All Debt	
	Principal	Interest	Principal	Interest *	Principal	Interest
2019	\$ 11,420,000	\$ 1,196,600	\$ -	\$ 3,478,420	\$ 11,420,000	\$ 4,675,020
2020	9,240,000	705,150	-	3,478,420	9,240,000	4,183,570
2021	9,700,000	242,500	79,055,000	3,478,420	88,755,000	3,720,920
<b>Total</b>	<b>\$ 30,360,000</b>	<b>\$ 2,144,250</b>	<b>\$ 79,055,000</b>	<b>\$ 10,435,260</b>	<b>\$ 109,415,000</b>	<b>\$ 12,579,510</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 9. Long-Term Obligations (Continued)

Long-Term Obligations	Beginning Balance (As Restated)	Additions/ Change in Estimates	Retirements/ Debt Forgiveness	Ending Balance	Balance Due Within One Year
<b>Refunding Bonds</b>					
Series 2010	\$ 41,240,000	\$ -	\$ 10,880,000	\$ 30,360,000	\$ 11,420,000
Unamortized Premium on 2010 Bond	2,470,058	-	780,017	1,690,041	780,017
<b>Revenue Bonds</b>					
QSCB 2011 Bond	79,055,000	-	-	79,055,000	-
Unamortized Premium on QSCB 2011 Bond	229,610	-	64,078	165,532	64,078
<b>OPEB Obligation Payable</b>	6,551,264	(317,891)	-	6,233,373	-
<b>Net Pension Liability</b>	68,777,206	(17,056,871)	-	51,720,335	-
<b>Accrued Compensated Absences</b>	2,199,421	1,265,042	-	3,464,463	-
<b>Liability for Claims Payable</b>	31,304,774	14,094,812	-	45,399,586	-
<b>Total Long-Term Obligations</b>	<b>\$ 231,827,333</b>	<b>\$ (2,014,908)</b>	<b>\$ 11,724,095</b>	<b>\$ 218,088,330</b>	<b>\$ 12,264,095</b>

**Bond Indentures**

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

**Statutory Debt Limit**

As of June 30, 2018, the statutory debt limit for general obligation bonds was \$949,778,595 and the net legal debt margin was \$936,261,011.

At June 30, 2018, the primary government has accumulated \$74,415,686 in the debt service funds for future debt requirements.

Note 10. Leases

The School Board owns the building located at 3520 General DeGaulle Drive in New Orleans, LA. The School Board leases space to tenants and charges itself internally for leasing occupied space for its offices. The School Board created the Enterprise Fund - Timbers Fund to account for the lease activity associated with this building. For the year ended June 30, 2018, lease revenues recognized by the School Board totaled \$1,181,515. Future annual lease payments to be received are as follows:

Fiscal Year Ending June 30,	Amount
2019	\$ 528,702
2020	81,313
2021	26,180
2022	26,964
2023	27,772
Thereafter	298,580
<b>Total</b>	<b>\$ 989,511</b>

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

**Note 10. Leases (Continued)**

The School Board is charged rent and utilities associated with its occupied space. The expected lease payments for the year ending June 30, 2019 is \$65,440. For the year ended June 30, 2018, the School Board made related lease payments of \$691,059.

The School Board also leases various equipment under operating leases which have varying terms. The expected lease payments for the years ending June 30, 2019 and 2020 are \$157,949 and \$26,325, respectively. For the year ended June 30, 2018, the School Board made related lease payments of \$411,942.

**Note 11. Changes in Agency Funds - Deposits Due Others**

<b>Agency Fund</b>	<b>Balance at July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2018</b>
Student Activity	\$ 357,321	\$ 2,521,848	\$ 2,656,266	\$ 222,903
<b>Total</b>	<b>\$ 357,321</b>	<b>\$ 2,521,848</b>	<b>\$ 2,656,266</b>	<b>\$ 222,903</b>

**Note 12. Due To/From Other Funds**

Individual balances due to/from other funds at June 30, 2018, are as follows:

	<b>Due To Other Funds</b>	<b>Due From Other Funds</b>
Governmental Funds		
General Fund	\$ -	\$ 1,693,169
Master Plan Fund	1,690,936	2,014,162
Enterprise Funds	3,707,331	1,690,936
<b>Total</b>	<b>\$ 5,398,267</b>	<b>\$ 5,398,267</b>

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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

**Equity in Pooled Cash**

To the extent possible, cash is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose funds are deposited in the pooled cash account has equity therein. Pooled cash at June 30, 2018, was as follows:

**Governmental Activities**

General Fund	\$ 62,868,308
Pass-Through Fund	(33,432,494)
General Obligation Fund	16,842,416
QSCB Fund	11,938,677
Hurricane Katrina Restoration Fund	14,014,014
Capital Projects Fund	41,028,771
Master Plan Fund	(8,463,522)
Direct-Run Schools R&M Capital Projects	46,228,901
Federal Grant Fund	(6,034,634)
Other Governmental Funds, Net	10,466,254
Internal Service Funds, Net	3,864,653
	<u>\$ 159,321,344</u>

**Business-Type Activities**

Timbers	<u>\$ 1,365,569</u>
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**Note 13. Act No. 151**

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

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

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

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**Note 13. Act No. 151 (Continued)**

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

Legacy costs as of June 30, 2018 were as follows:

Legacy Costs	2018
Carryover from Prior Fiscal Year	\$ -
Employer's Cost of Health Insurance for Retired Participants in the Board's Plan as of July 1, 2015, not to Exceed 25% of Total Premium Costs	521,393
A Supplement of \$200 per Month for Health Insurance Premiums for Retired Participants in the Board's Plan as of July 1, 2015	294,200
Workers' Compensation Claims Filed Against the Board Prior to August 29, 2005, including Administrative Costs	839,828
Costs to Defend Legal Claims Against the Board Prior to August 29, 2005	136,478
Legal Claims Against the Board after August 29, 2005 Attributable to Hurricane Katrina or Act 35 of 1995 1st Extraordinary Session	14,722
Cost of Short-Term Borrowing, Including but not Limited to Attorney Fees and Interest	141,063
Fee of One-Tenth of One Percent of Total Ad Valorem and Sales Taxes Collected	298,200
Total	2,245,884
Maximum Allowed	(3,000,000)
Carryover to Next Fiscal Year	\$ -



ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

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**Note 14. Act No. 543**

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

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

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

Effective July 1, 2018, the return of certain schools and facilities from the RSD to OPSB occurred. As the RSD is no longer running these schools, their portion for the fiscal year ended June 30, 2018 will be retained by OPSB and the amounts will be utilized for the schools that were previously under their control.

Student enrollment for each campus are as follows:

OPSB Controlled Campuses	14,804
RSD Controlled Campuses	25,920
Total Students Enrolled in the School District	<u>40,724</u>
Percentage of Students Enrolled at OPSB Controlled Campuses	<u>36%</u>
Percentage of Students Enrolled at RSD Controlled Campuses	<u>64%</u>

A schedule of the amount of funds generated for the program, and the amount retained by the OPSB and the amount transferred to the RSD follows:

Source of Funds:	
Sales Taxes	\$ 8,763,289
Ad Valorem Taxes	<u>6,946,949</u>
Total Funds Available	<u>\$ 15,710,238</u>
OPSB Portion (36%)	<u>\$ 5,710,990</u>
RSD Portion (64%)	<u>\$ 9,999,248</u>

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

**Notes to Financial Statements**

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**Note 15. Litigation and Contingencies**

**Claims**

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

**Federal and State Grants**

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

**FEMA**

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

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

The majority of the FEMA funding awarded to the School Board and RSD has been structured into Alternative Projects under FEMA's Public Assistance program, which allows applicants to designate alternative ways to utilize FEMA funding to support the best interests of the community. This alternate funding vehicle will provide maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish. The School Board has been issued in excess of 200 FEMA Project Worksheets which authorized or obligated \$375.9 million. As of June 30, 2018, the School Board has been reimbursed \$306.3 million. The School Board plans on using the majority of the remaining authorized monies to fund Phase One of the Master Plan, and to recover properly procured and executed work in the years immediately following the disaster.

**Construction Contracts**

At June 30, 2018, the School Board had construction commitments of approximately \$14.9 million. These commitments will be paid out of the Capital Projects Funds.

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 16. Interfund Operating Transfers**

Interfund operating transfers for the year ended June 30, 2018, were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 3,155,488	\$ -
Federal Grant Fund	-	1,111,190
Non-Major Governmental Funds		
Non-Major Special Revenue Funds	-	1,875,548
Non-Major Capital Project Funds	-	168,750
<b>Total</b>	<b>\$ 3,155,488</b>	<b>\$ 3,155,488</b>

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

**Note 17. Risk Management**

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

**Employee Health Insurance/Retiree Health Insurance**

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

**Workers' Compensation Insurance**

This fund is used to account for claims arising from employment related injuries prior to July 1, 2006. The School Board maintained a self-insurance plan, which included the purchase of insurance for claims in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. At June 30, 2018, there were 22 active claims.

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

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

**Note 17. Risk Management (Continued)**

**Workers' Compensation Insurance (Continued)**

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

	Employee Health Insurance Fund	Retiree Health Insurance Fund	Workers' Compensation Fund	Litigated Claims	Total
Unpaid Claims, as Previously Reported June 30, 2017	\$ 9,123	\$ 484,877	\$ 1,122,929	\$31,304,774	\$ 32,921,703
Current Year Claims Incurred and Changes in Estimates	3,233,527	2,767,421	2,294,763	14,308,032	22,603,743
Claims Paid	(3,133,977)	(2,685,971)	(2,583,048)	(213,220)	(8,616,216)
Unpaid Claims as of Year Ended June 30, 2018	\$ 108,673	\$ 566,327	\$ 834,644	\$ 45,399,586	\$ 46,909,230

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

**Note 18. Deficits in Fund Equity**

The Master Plan Fund has a fund deficit of \$17,154,214. This fund deficit is expected to be funded through reimbursement from funding sources for allowable expenditures that have been incurred.

The Federal Grant Fund has a fund deficit of \$108,987. This fund deficit is expected to be funding through reimbursement from funding sources for allowable expenditures that have been incurred.

The CDBG Capital Projects Fund has a fund deficit of \$27,492. This fund deficit is expected to be funded through the General Fund.

**Note 19. Contingency for Unbilled Federal Revenue**

Included in Due from Other Governments are \$7,259,929 of amounts that are unbilled. At this time, it is uncertain whether all of these amounts will be recovered under the federal programs as they are recorded. Once the School Board has billed these amounts and received the reimbursements, adjustments will be recorded as required.

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 20. Fund Balances**

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

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

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

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

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

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

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

**Note 21. Tax Credit Transactions**

The School Board and OSFF have entered into various tax credit transactions to provide financing for the construction and development of charter schools located in New Orleans, Louisiana. OSFF is a public benefit corporation which will serve as leverage lender. OSFF is a blended component unit of the School Board as described in Note 1 to the financial statements. The following is a summary of relevant information pertaining to tax credit transactions effective as of June 30, 2018:

Phyllis S. Wheatley School

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 21. Tax Credit Transactions (Continued)**

McDonogh 42 Elementary School

In October 2013, the School Board and the RSD entered into a CEA which provides for the transfer of McDonogh 42 Elementary School (McDonogh 42 School) to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the McDonogh 42 Elementary School from OSFF to the McDonogh 42 School Facility, LLC (McDonogh 42 QALICB) through the execution of a 65 year ground lease, with McDonogh 42 QALICB obtaining debt and equity financing to complete construction of the McDonogh 42 School. Rent under this lease is \$1 per year of the term. The CEA further required the School Board to provide sufficient funds to the OSFF, by either loan or grant, as necessary to complete construction of the McDonogh 42 School. Pursuant to this requirement, the School Board advanced \$15,499,000 to OSFF, \$6,849,000 of which was loaned to McDonogh Elementary Investment Fund, LLC, with OSFF as the leveraged lender. Of the remaining \$8,650,000, \$1,307,050 was provided to McDonogh 42 QALICB as a grant to be used solely and exclusively to pay for the construction costs of the McDonogh 42 School. See Note 5 for terms of the loan from OSFF to McDonogh Elementary Investment Fund LLC.

Avery Alexander School

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

Drew Elementary School

In February 2015, the School Board and the RSD entered into a CEA which provides for the sale of building improvements, and the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to the Drew Elementary School Facility (DESF), LLC through the execution of a 65 year ground lease, and the sale of the building improvements to DESF, with DESF obtaining debt and equity financing to complete the construction of the Drew Elementary School. The CEA further required the School Board to provide funding to finance the purchase of the building improvements, costs for historic rehabilitation and renovation of the Drew Elementary School, and fees and expenses in connection with the project. Pursuant to this requirement, the School Board granted \$18,997,332 to OSFF which was then loaned to DESF, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to DESF. In addition, under the charter lease subsidy agreement entered into as of June 1, 2015, OSFF is to provide a subsidy to the charter school operator, Arise Academy, to enable the operator to fulfill its lease payment obligation to DESF. For the year ended June 30, 2018, a total of \$711,549 was paid as a subsidy.

ORLEANS PARISH SCHOOL BOARD  
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Notes to Financial Statements

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**Note 21. Tax Credit Transactions (Continued)**

Sophie B. Wright High School

In April 2016, the School Board and the RSD entered into a CEA which provides for the sale of building improvements, and the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to the SBW School Facility, L.L.C. (SBWSF) through the execution of a 65 year ground lease, and the sale of the building improvements to SBWSF, with SBWSF obtaining debt and equity financing to complete the construction of the Sophie B. Wright High School. The CEA further required the School Board to provide funding to finance the purchase of the building improvements, costs for historic rehabilitation and renovation of the Sophie B. Wright High School, and fees and expenses in connection with the project. Pursuant to this requirement, the School Board granted \$28,952,908 to OSFF which was then loaned to SBWSF, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to SBWSF. In addition, under the charter lease subsidy agreement entered into as of April 28, 2016, OSFF is to provide a subsidy to the charter school operator, Institute for Academic Excellence, to enable the operator to fulfill its lease payment obligation to SBWSF. For the year ended June 30, 2018, a total of \$1,100,089 was paid as a subsidy.

Booker T. Washington School

In June 2017, the School Board and the RSD entered into a CEA which provides for the construction of a building, and the transfer of land to the OSFF through a 99 year ground lease. Rent under this lease is \$1 per year of the term. The CEA then required the transfer of the land from OSFF to the Booker T. Washington School Facility, L.L.C. (BTWSF) through the execution of a 65 year ground lease, obtaining debt financing to complete the construction of the Booker T. Washington High School. The CEA further required the School Board to provide funding to COCRF Investor 82, LLC (COCRF) to make certain investments to the Sub-CDE to ultimately fund the construction and development of Booker T. Washington School. Pursuant to this requirement, the School Board granted \$13,868,212 to OSFF which was then loaned to COCRF Investor 82, LLC (COCRF), with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to COCRF. In addition, under the charter lease subsidy agreement entered into as of June 13, 2017, OSFF is to provide a subsidy to the charter school operator, KIPP New Orleans, Inc., to enable the operator to fulfill its lease payment obligation. No payments were made during the year ended June 30, 2018.

Tubman

In December 2017, the School Board and the RSD entered into a CEA which provides for the design, construction and rehabilitation of the Harriet Tubman School Facility, and the transfer of land to the OSFF through a 99 year ground lease as well as the improvements of the building. Rent under the ground lease totaled a value of \$84,100. The CEA then required the transfer of the land from OSFF to the Tubman School Facilities, L.L.C. (TSF) through the execution of a 65 year ground lease, obtaining debt financing to complete the design, construction and rehabilitation of the Harriet Tubman School Facility. The CEA further required OSFF to provide funding to TSF to finance all or a portion of the purchase price and the costs of construction to the contractor. Pursuant to this requirement, OSFF loaned a total of \$17,603,367 to TSF, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to TSF. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the Harriet Tubman School Facility owner to enable them to fulfill its lease payment obligation. No payments were made during the year ended June 30, 2018.

**ORLEANS PARISH SCHOOL BOARD  
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**Notes to Financial Statements**

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**Note 21. Tax Credit Transactions (Continued)**

John McDonogh

In December 2017, the School Board and the RSD entered into a CEA which provides for the design, construction and rehabilitation of the John McDonogh School Facility, and the transfer of land to the OSFF through a 99 year ground lease as well as the improvements of the building. Rent under this lease totaled a value of \$1,256,700. The CEA then required the transfer of the land from OSFF to the John MC School Facility, L.L.C. (JMSF) through the execution of a 65 year ground lease, obtaining debt financing to complete the design, construction and rehabilitation of the John McDonogh School Facility. The CEA further OSFF to provide funding to JMSF to make certain investments to the Sub-CDE to ultimately fund the construction and development of the John McDonogh School Facility. Pursuant to this requirement, OSFF loaned to JMSF at total of \$30,009,030, with OSFF as the leveraged lender. See Note 5 for terms of the loan from OSFF to JMSF. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the charter school operator to enable the operator to fulfill its lease payment obligation. No payments were made during the year ended June 30, 2018.

Historic Tax Credits

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

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

**Note 22. Tax Abatements**

The City of New Orleans maintains a Restoration Tax Abatement Program that provides commercial property owners and homeowners who expand, restore, improve, or develop an existing structure in a downtown development district, economic development district, or historic district the right to pay ad valorem taxes based on the assessed valuation of the property for the year prior to the commencement of the project for five years after completion of the work. During the fiscal year ended June 30, 2018, there were twenty-one tax abatements under the Restoration Tax Abatement Program with exemptions. During the fiscal year ended June 30, 2018, ad valorem taxes abated applicable to the School Board totaled \$453,033.

**Note 23. Recent Reporting and Disclosure Developments**

As of June 30, 2017, the Government Accounting Standards Board has issued several statements not yet implemented by the School Board. The Statements, which might impact the School Board, are as follows:

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

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



ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

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**Note 23. Recent Reporting and Disclosure Developments (Continued)**

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

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

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

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

**Note 24. Subsequent Events**

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

**REQUIRED SUPPLEMENTARY INFORMATION - (PART II)**

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2018

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Local Sources				
Ad Valorem Taxes	\$ 8,894,703	\$ 8,608,236	\$ 8,765,864	\$ 157,628
Sales and Use Tax (Including Vehicle)	7,277,484	7,043,102	7,042,234	(868)
Earnings on Investments	125,000	125,000	273,995	148,995
Donations	-	151,950	331,867	179,917
Other	7,862,479	8,026,690	10,680,327	2,653,637
State and Federal Sources				
Minimum Foundation Program	11,628,589	11,245,515	12,142,680	897,165
State Revenue Sharing	2,793,000	2,793,000	2,839,496	46,496
Other	2,819,876	4,660,926	1,350,431	(3,310,495)
Federal Sources	-	-	62,888	62,888
<b>Total Revenues</b>	<b>41,401,131</b>	<b>42,654,419</b>	<b>43,489,782</b>	<b>835,363</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular Programs	11,117,620	11,444,237	11,754,289	(310,052)
Special Programs	3,993,162	3,971,063	3,605,503	365,560
Other Programs	2,853,421	2,862,658	2,737,877	124,781
Support				
Student Services	2,988,758	2,835,879	3,002,389	(166,510)
Instructional Staff Support	1,155,567	1,475,889	1,547,513	(71,624)
General Administration	4,274,030	4,006,275	5,480,021	(1,473,746)
School Administration	3,718,298	3,338,646	3,659,202	(320,556)
Business Services	1,582,283	1,589,775	1,650,243	(60,468)
Student Transportation Services	3,602,628	3,468,293	3,220,920	247,373
Central Services	3,073,481	3,281,178	3,181,351	99,827
Plant Services	6,597,446	7,254,696	7,050,519	204,177
Food Services	39,150	39,150	-	39,150
Other	2,146,737	1,238,317	1,627,875	(389,558)
Debt Service				
Principal Retirement	40,000	1,629,813	-	1,629,813
<b>Total Expenditures</b>	<b>47,182,581</b>	<b>48,435,869</b>	<b>48,517,702</b>	<b>(81,833)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,781,450)</b>	<b>(5,781,450)</b>	<b>(5,027,920)</b>	<b>753,530</b>

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Budgetary Comparison Schedule (Continued)  
 General Fund  
 Fiscal Year Ended June 30, 2018

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Budgetary Comparison Schedule (Continued)  
Pass-Through Fund  
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Sources				
Ad Valorem Taxes	\$ 142,158,847	\$ 142,158,847	\$ 142,158,847	\$ -
Sales and Use Tax (Including Vehicle)	110,773,583	110,773,583	110,773,583	-
Other	7,588	7,588	7,588	-
State and Federal Sources				
Minimum Foundation Program	12,551,305	12,551,305	12,551,305	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>265,491,323</b>	<b>265,491,323</b>	<b>265,491,323</b>	<b>-</b>
<b>Expenditures</b>				
Current				
Support				
General Administration	9,709,868	9,709,868	9,709,868	-
<b>Total Expenditures</b>	<b>9,709,868</b>	<b>9,709,868</b>	<b>9,709,868</b>	<b>-</b>
<b>Excess of Revenues Over Expenditures</b>	<b>255,781,455</b>	<b>255,781,455</b>	<b>255,781,455</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out - Charters and RSD	(255,781,455)	(255,781,455)	(255,781,455)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(255,781,455)</b>	<b>(255,781,455)</b>	<b>(255,781,455)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30, 2018</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Budgetary Comparison Schedule (Continued)  
 Federal Grant Fund  
 Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Sources				
Other	\$ 546,955	\$ 546,955	\$ 546,955	\$ -
State and Federal Sources				
Other	133,846	133,846	133,846	-
Federal Sources	14,824,040	14,824,040	14,824,040	-
<b>Total Revenues</b>	15,504,841	15,504,841	16,051,796	-
<b>Expenditures</b>				
Current				
Instruction				
Regular Programs	1,070,174	1,070,174	1,070,174	-
Special Programs	1,070,559	1,070,559	1,070,559	-
Other Programs	7,152,033	7,152,033	7,152,033	-
Support				
Student Services	2,436,150	2,436,150	2,436,150	-
Instructional Staff Support	2,515,437	2,515,437	2,515,437	-
Business Services	3,298	3,298	3,298	-
Student Transportation Services	5,764	5,764	5,764	-
Central Services	46,219	46,219	46,219	-
<b>Total Expenditures</b>	14,299,634	14,299,634	14,299,634	-
<b>Excess of Revenues Over Expenditures</b>	1,205,207	1,205,207	1,752,162	-
<b>Other Financing Sources</b>				
Transfers Out	(1,111,190)	(1,111,190)	(1,111,190)	-
<b>Total Other Financing Sources (Uses)</b>	(1,111,190)	(1,111,190)	(1,111,190)	-
<b>Net Change in Fund Balance</b>	94,017	94,017	640,972	546,955
<b>Fund Balance, June 30, 2017</b>	(203,004)	(203,004)	(203,004)	-
<b>Fund Balance, June 30, 2018</b>	\$ (108,987)	\$ (108,987)	\$ 437,968	\$ 546,955

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Net OPEB Liability and Related Ratios  
Fiscal Year Ended June 30, 2018

<b>Total OPEB Liability</b>	
Service cost	\$ 26,796
Interest	246,463
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(172,352)
Benefit payments	(418,798)
<b>Net change in total OPEB liability</b>	<b>(317,891)</b>
 <b>Total OPEB liability - beginning</b>	 <b>6,551,264</b>
 <b>Total OPEB liability - ending</b>	 <b>\$ 6,233,373</b>
Covered-employee payroll	\$ 20,576,287
Net OPEB liability as a percentage of covered-employee payroll	30.29%

**Notes to Schedule:**

*Benefit Changes:* There were no changes of benefit terms for the year ended June 30, 2018.

*Expected and Actual Experience Differences:* There were no changes of assumptions for the year ended June 30, 2018.

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of the School Board's Proportionate Share of Net Pension Liability  
For the Year Ended June 30, 2018

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

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

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

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



ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of School Board Pension Contributions  
For the Year Ended June 30, 2018

	2018			2017		2016		2015	
	TRSL	LASERS	LSERS	TRSL	LASERS	TRSL	LASERS	TRSL	LASERS
Contractually Required Contribution	\$ 6,426,368	\$ 102,989	\$ 9,148	\$ 7,345,326	\$ 133,222	\$ 7,655,504	\$ 143,239	\$ 7,683,825	\$ 118,394
Contributions in Relation to Contractually Required Contribution	<u>\$ 6,426,368</u>	<u>\$ 102,989</u>	<u>\$ 9,148</u>	<u>\$ 7,345,326</u>	<u>\$ 133,222</u>	<u>\$ 7,655,504</u>	<u>\$ 143,239</u>	<u>\$ 7,683,825</u>	<u>\$ 118,394</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Board's Covered-Employee Payroll	\$24,053,560	\$ 277,746	\$ 37,240	\$28,475,489	\$ 371,665	\$28,825,542	\$ 385,050	\$ 27,306,350	\$ 321,035
Contributions as a Percentage of Covered-Employee Payroll	26.7%	37.1%	24.6%	25.8%	35.8%	26.6%	37.2%	28.1%	36.9%

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

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

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

**Note 1. Budget and Budgetary Accounting**

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

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

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

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

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

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

**Note 2. Pension Plan Schedules**

**Changes of Benefit Terms**

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

**Changes of Assumptions**

For the 2017-2018 fiscal year, the TRSL and LASERS discount rate used to measure the total pension liability as of the measurement date of June 30, 2017 changed from 7.75% to 7.70%, and the LSERS discount rate changed from 7.00% to 7.125%.

## OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Combining Balance Sheet - By Fund Type  
 Non-Major Governmental Funds  
 June 30, 2018

	Special Revenue	Capital Projects	Total
<b>Assets</b>			
Due from Other Governments	\$ 773,384	\$ -	\$ 773,384
Equity in Pooled Cash	5,425,258	5,347,687	10,772,945
Inventory	68,395	-	68,395
<b>Total Assets</b>	<b>\$ 6,267,037</b>	<b>\$ 5,347,687</b>	<b>\$ 11,614,724</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 83,230	\$ 179,625	\$ 262,855
Equity in Pooled Cash	279,199	27,492	306,691
Unearned Revenues	132,903	-	132,903
<b>Total Liabilities</b>	<b>495,332</b>	<b>207,117</b>	<b>702,449</b>
<b>Fund Balances</b>			
Nonspendable:			
Inventory	68,395	-	68,395
Restricted for:			
Capital Projects	-	5,168,062	5,168,062
Assigned to:			
Special Programs	5,703,310	-	5,703,310
Unassigned	-	(27,492)	(27,492)
<b>Total Fund Balances</b>	<b>5,771,705</b>	<b>5,140,570</b>	<b>10,912,275</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,267,037</b>	<b>\$ 5,347,687</b>	<b>\$ 11,614,724</b>

**ORLEANS PARISH SCHOOL BOARD**  
**NEW ORLEANS, LOUISIANA**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - By Fund Type**  
**Non-Major Governmental Funds**  
**Fiscal Year Ended June 30, 2018**

	Special Revenue	Capital Projects	Total
<b>Revenues</b>			
Local Sources			
Food Services	\$ 119,571	\$ -	\$ 119,571
Donations	42,591	1,350,000	1,392,591
Other	293,707	-	293,707
State and Federal			
Federal Sources	4,813,688	-	4,813,688
Other	729,421	-	729,421
<b>Total Revenues</b>	<b>5,998,978</b>	<b>1,350,000</b>	<b>7,348,978</b>
<b>Expenditures</b>			
Instruction			
Regular Education Programs	169,987	-	169,987
Other Education Programs	653,301	-	653,301
Support			
Student Services	2,586	-	2,586
Instructional Staff Support	4,780	-	4,780
School Administration	52,337	-	52,337
Business Services	2,801	-	2,801
Plant Services	-	175,243	175,243
Food Services	4,291,312	-	4,291,312
Capital Outlay	-	1,359,257	1,359,257
<b>Total Expenditures</b>	<b>5,177,104</b>	<b>1,534,500</b>	<b>6,711,604</b>
<b>Excess of Revenues</b>			
<b>Over Expenditures</b>	<b>821,874</b>	<b>(184,500)</b>	<b>637,374</b>
<b>Other Financing Sources and Uses</b>			
Transfers Out	(1,875,548)	(168,750)	(2,044,298)
Transfers Out - Charter Schools	-	(3,261,431)	(3,261,431)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,875,548)</b>	<b>(3,430,181)</b>	<b>(5,305,729)</b>
<b>Net Change in Fund Balance</b>	<b>(1,053,674)</b>	<b>(3,614,681)</b>	<b>(4,668,355)</b>
<b>Fund Balance, June 30, 2017</b>	<b>6,825,379</b>	<b>8,755,251</b>	<b>15,580,630</b>
<b>Fund Balance, June 30, 2018</b>	<b>\$ 5,771,705</b>	<b>\$ 5,140,570</b>	<b>\$ 10,912,275</b>

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
June 30, 2018

	State and Local	Child Nutrition	Non-Recurring Operational	Total
<b>Assets</b>				
Due from Other Governments	\$ 279,199	\$ 494,185	\$ -	\$ 773,384
Equity in Pooled Cash	232,250	5,193,008	-	5,425,258
Inventory	-	68,395	-	68,395
<b>Total Assets</b>	<b>\$ 511,449</b>	<b>\$ 5,755,588</b>	<b>\$ -</b>	<b>\$ 6,267,037</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 8,499	\$ 74,731	\$ -	\$ 83,230
Equity in Pooled Cash	279,199	-	-	279,199
Unearned Revenues	132,903	-	-	132,903
<b>Total Liabilities</b>	<b>420,601</b>	<b>74,731</b>	<b>-</b>	<b>495,332</b>
<b>Fund Balances</b>				
Nonspendable:				
Inventory	-	68,395	-	68,395
Assigned to:				
Special Programs	90,848	5,612,462	-	5,703,310
<b>Total Fund Balances</b>	<b>90,848</b>	<b>5,680,857</b>	<b>-</b>	<b>5,771,705</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 511,449</b>	<b>\$ 5,755,588</b>	<b>\$ -</b>	<b>\$ 6,267,037</b>

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Non-Major Special Revenue Funds  
Fiscal Year Ended June 30, 2018

	State and Local	Child Nutrition	Non-Recurring Operational	Total
<b>Revenues</b>				
Local Sources				
Food Services	\$ -	\$ 119,571	\$ -	\$ 119,571
Donations	42,591	-	-	42,591
Other	-	293,707	-	293,707
State and Federal				
Federal Funds	-	4,813,688	-	4,813,688
Other	729,421	-	-	729,421
<b>Total Revenues</b>	<b>772,012</b>	<b>5,226,966</b>	<b>-</b>	<b>5,998,978</b>
<b>Expenditures</b>				
Instruction				
Regular Education Programs	169,987	-	-	169,987
Other Education Programs	653,301	-	-	653,301
Support				
Student Services	2,586	-	-	2,586
Instructional Staff Support	4,780	-	-	4,780
School Administration	52,337	-	-	52,337
Business Services	2,801	-	-	2,801
Food Services	-	4,291,312	-	4,291,312
<b>Total Expenditures</b>	<b>885,792</b>	<b>4,291,312</b>	<b>-</b>	<b>5,177,104</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(113,780)</b>	<b>935,654</b>	<b>-</b>	<b>821,874</b>
<b>Other Financing Sources and Uses</b>				
Transfers Out	(962,703)	(511,577)	(401,268)	(1,875,548)
<b>Total Other Financing Sources (Uses)</b>	<b>(962,703)</b>	<b>(511,577)</b>	<b>(401,268)</b>	<b>(1,875,548)</b>
<b>Net Change in Fund Balance</b>	<b>(1,076,483)</b>	<b>424,077</b>	<b>(401,268)</b>	<b>(1,053,674)</b>
<b>Fund Balance, June 30, 2017</b>	<b>1,167,331</b>	<b>5,256,780</b>	<b>401,268</b>	<b>6,825,379</b>
<b>Fund Balance, June 30, 2018</b>	<b>\$ 90,848</b>	<b>\$ 5,680,857</b>	<b>\$ -</b>	<b>\$ 5,771,705</b>

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Balance Sheet  
Non-Major Capital Projects Funds  
June 30, 2018

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
<b>Assets</b>				
Equity in Pooled Cash	\$ 3,113,211	\$ 2,234,476	\$ -	\$ 5,347,687
<b>Total Assets</b>	<u>\$ 3,113,211</u>	<u>\$ 2,234,476</u>	<u>\$ -</u>	<u>\$ 5,347,687</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 179,625	\$ -	\$ -	\$ 179,625
Equity in Pooled Cash	-	-	27,492	27,492
<b>Total Liabilities</b>	<u>179,625</u>	<u>-</u>	<u>27,492</u>	<u>207,117</u>
<b>Fund Balances</b>				
Restricted for Capital Projects	2,933,586	2,234,476	-	5,168,062
Unassigned	-	-	(27,492)	(27,492)
<b>Total Fund Balances</b>	<u>2,933,586</u>	<u>2,234,476</u>	<u>(27,492)</u>	<u>5,140,570</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,113,211</u>	<u>\$ 2,234,476</u>	<u>\$ -</u>	<u>\$ 5,347,687</u>



ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Non-Major Capital Projects Funds  
 Fiscal Year Ended June 30, 2018

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Total
<b>Revenues</b>				
Local Sources				
Donations	\$ -	\$ 1,350,000	\$ -	\$ 1,350,000
<b>Total Revenues</b>	-	1,350,000	-	1,350,000
<b>Expenditures</b>				
Support				
Plant Services	175,243	-	-	175,243
Capital Outlay	874,893	484,364	-	1,359,257
<b>Total Expenditures</b>	1,050,136	484,364	-	1,534,500
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,050,136)	865,636	-	(184,500)
<b>Other Financing Sources and Uses</b>				
Transfer Out	-	(168,750)	-	(168,750)
Transfers Out - Charter Schools	-	(3,261,431)	-	(3,261,431)
<b>Total Other Financing Sources (Uses)</b>	-	(3,430,181)	-	(3,430,181)
<b>Net Change in Fund Balance</b>	(1,050,136)	(2,564,545)	-	(3,614,681)
<b>Fund Balance, June 30, 2017</b>	3,983,722	4,799,021	(27,492)	8,755,251
<b>Fund Balance, June 30, 2018</b>	\$ 2,933,586	\$ 2,234,476	\$ (27,492)	\$ 5,140,570

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Statement of Net Position  
Proprietary Fund Type - Internal Service Funds  
June 30, 2018

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
<b>Assets</b>					
Other Receivables	\$ 300,000	\$ -	\$ -	\$ 26,825	\$ 326,825
Equity in Pooled Cash	-	714,477	3,133,325	56,643	3,904,445
Prepaid Items and Other Assets	-	-	349,781	-	349,781
<b>Total Assets</b>	<b>300,000</b>	<b>714,477</b>	<b>3,483,106</b>	<b>83,468</b>	<b>4,581,051</b>
<b>Liabilities and Net Position</b>					
<b>Liabilities</b>					
Accounts Payable	151,535	148,150	-	83,468	383,153
Equity in Pooled Cash	39,792	-	-	-	39,792
Claims Payable	108,673	566,327	834,644	-	1,509,644
Unearned Revenue	-	-	964,443	-	964,443
<b>Total Liabilities</b>	<b>300,000</b>	<b>714,477</b>	<b>1,799,087</b>	<b>83,468</b>	<b>2,897,032</b>
<b>Net Position</b>					
Restricted	\$ -	\$ -	\$ 1,684,019	\$ -	\$ 1,684,019

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Combining Statement of Revenues, Expenses  
 and Changes in Net Position  
 Proprietary Fund Type - Internal Service Funds  
 Fiscal Year Ended June 30, 2018

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
<b>Operating Revenues</b>					
Employer Contributions	\$ 3,115,916	\$ 1,734,778	\$ 1,258,673	\$ -	\$ 6,109,367
Retiree Contributions	-	951,193	-	-	951,193
Employee Contributions	18,061	-	-	-	18,061
Workers Compensation Reimbursement	-	-	406,362	-	406,362
<b>Total Operating Revenues</b>	<b>3,133,977</b>	<b>2,685,971</b>	<b>1,665,035</b>	<b>-</b>	<b>7,484,983</b>
<b>Operating Expenses</b>					
General Administrative	-	-	854,125	-	854,125
Central Services	3,133,977	2,685,971	810,910	-	6,630,858
<b>Total Operating Expenses</b>	<b>3,133,977</b>	<b>2,685,971</b>	<b>1,665,035</b>	<b>-</b>	<b>7,484,983</b>
<b>Operating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Nonoperating Revenues</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Change in Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position at June 30, 2017</b>	<b>-</b>	<b>-</b>	<b>1,684,019</b>	<b>-</b>	<b>1,684,019</b>
<b>Net Position at June 30, 2018</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,684,019</b>	<b>\$ -</b>	<b>\$ 1,684,019</b>

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Statement of Cash Flows  
Proprietary Fund Type - Internal Service Funds  
Fiscal Year Ended June 30, 2018

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Cash Premiums Received	\$ 3,133,977	\$ 1,665,035	\$ 2,583,048	\$ (26,825)	\$ 7,355,235
Payments for Claims and Benefits	(3,133,977)	(1,665,035)	(2,583,048)	26,825	(7,355,235)
<b>Net Cash (Used in) Provided by Operating Activities</b>	-	-	-	-	-
<b>Cash Flows from Non-Capital Financing Activities</b>					
Interfund Transfers	-	-	-	-	-
<b>Net Cash (Used in) Provided by Non-Capital Financing Activities</b>	-	-	-	-	-
<b>Net Decrease in Cash</b>	-	-	-	-	-
<b>Cash, Beginning of Year</b>	-	-	-	-	-
<b>Cash, End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of Operating Income to Net Cash (Used in) Provided by Operating Activities</b>					
Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to Reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities:					
Changes in:					
Other Receivables	(300,000)	81,769	-	134,265	(83,966)
Equity in Pooled Cash	39,792	(193,934)	1,250,050	(56,643)	1,039,265
Prepaid Items and Other Assets	482,472	9,242	(162,056)	-	329,658
Accounts Payable	(123,376)	21,473	(7,500)	7,191	(102,212)
Unearned Revenue	(198,438)	-	(158,486)	(84,813)	(441,737)
Claims Payable/Self-Insured	99,550	81,450	(922,008)	-	(741,008)
<b>Net Cash (Used in) Provided by Operating Activities</b>	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Statement of Assets and Liabilities  
Fiduciary Fund Type - Trust Funds  
June 30, 2018

	Expendable Trust	City-Wide Exceptional Needs	Trust Total
<b>Assets</b>			
Investments	\$ 298,637	\$ -	\$ 298,637
Due from Other Funds	403,762	312,997	716,759
<b>Total Assets</b>	702,399	312,997	1,015,396
<b>Liabilities</b>			
Accounts Payable	1,500	155,635	157,135
<b>Total Liabilities</b>	1,500	155,635	157,135
<b>Net Position</b>			
Held in Trust for Various Purposes	\$ 700,899	\$ 157,362	\$ 858,261

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Statement of Changes in Assets and Liabilities  
Fiduciary Fund Type - Trust Funds  
June 30, 2018

	Expendable Trust	City-Wide Exceptional Needs	Trust Total
<b>Additions</b>			
Other Miscellaneous	\$ -	\$ 1,196,000	\$ 1,196,000
Interest and Investment Gain	29,824	-	29,824
<b>Total Additions</b>	29,824	1,196,000	1,225,824
<b>Deductions</b>			
Instruction			
Special Programs	-	1,197,892	1,197,892
Support			
Business Services	-	800	800
<b>Total Deductions</b>	-	1,198,692	1,198,692
<b>Changes in Net Position</b>	29,824	(2,692)	27,132
<b>Net Position - Beginning</b>	671,075	160,054	831,129
<b>Net Position - Ending</b>	\$ 700,899	\$ 157,362	\$ 858,261

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Combining Statement of Assets and Liabilities  
 Fiduciary Fund Type - Agency Funds  
 June 30, 2018

	Student Activity	Agency Total
<b>Assets</b>		
Cash	\$ 221,990	\$ 221,990
Due from Other Funds	913	913
<b>Total Assets</b>	<b>\$ 222,903</b>	<b>\$ 222,903</b>
<b>Liabilities</b>		
Due to Student Groups	\$ 222,903	\$ 222,903
<b>Total Liabilities</b>	<b>\$ 222,903</b>	<b>\$ 222,903</b>

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Combining Statement of Changes in Assets and Liabilities  
Fiduciary Fund Type - Agency Funds  
Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions/ Transfers to OPSB	Deductions	Balance June 30, 2018
<b>Student Activity</b>				
<b>Assets</b>				
Cash	\$ 356,408	\$ 2,521,848	\$ 2,656,266	\$ 221,990
Due from Other Funds	913	-	-	913
<b>Total Assets</b>	<b>\$ 357,321</b>	<b>\$ 2,521,848</b>	<b>\$ 2,656,266</b>	<b>\$ 222,903</b>
<b>Liabilities</b>				
Due to Student Groups	\$ 357,321	\$ 2,521,848	\$ 2,656,266	\$ 222,903
<b>Total Liabilities</b>	<b>\$ 357,321</b>	<b>\$ 2,521,848</b>	<b>\$ 2,656,266</b>	<b>\$ 222,903</b>
<b>Total Agency Funds</b>				
<b>Assets</b>				
Cash	\$ 356,408	\$ 2,521,848	\$ 2,656,266	\$ 221,990
Due from Other Funds	913	-	-	913
<b>Total Assets</b>	<b>\$ 357,321</b>	<b>\$ 2,521,848</b>	<b>\$ 2,656,266</b>	<b>\$ 222,903</b>
<b>Liabilities</b>				
Due to Student Groups	\$ 357,321	\$ 2,521,848	\$ 2,656,266	\$ 222,903
<b>Total Liabilities</b>	<b>\$ 357,321</b>	<b>\$ 2,521,848</b>	<b>\$ 2,656,266</b>	<b>\$ 222,903</b>



ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head  
For the Year Ended June 30, 2018

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**Agency Head**

Dr. Henderson Lewis, Jr.  
Superintendent

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 258,639
Benefits - Insurance	\$ 3,030
Benefits - Retirement	\$ 68,798
Bonus	\$ 15,000
Travel	\$ 398
<b>Total</b>	<b>\$ 345,865</b>

## STATISTICAL SCHEDULES

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Government-Wide Expenses by Function  
 For the Three Years Ended June 30, 2018

(Unaudited)

<b>Governmental Activities</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Instruction			
Regular Education Programs	\$ 16,385,886	\$ 16,174,134	\$21,518,727
Special Education Programs	5,896,471	7,052,908	7,264,584
Other Education Programs	13,294,896	18,880,160	18,789,952
Support Services			
Student Services	6,861,210	8,152,528	8,683,924
Instructional Staff Support	5,155,020	7,405,242	7,487,693
General Administration	22,164,593	16,100,470	17,641,687
School Administration Services	4,680,218	4,281,376	3,377,102
Business Services	2,116,559	1,956,006	2,638,366
Student Transportation Services	4,068,820	5,459,981	5,307,002
Central Services	4,069,937	3,087,937	3,010,617
Plant Services	10,633,349	9,622,990	11,033,319
Other	1,627,875	2,837,248	10,706,816
Food Services	4,291,312	5,034,815	6,050,027
Transfer to Charter Schools and RSD	269,042,134	312,407,787	267,601,648
Interest on Long-Term Debt	935,816	1,470,071	1,962,020
<b>Total Governmental Activities</b>	<b>\$ 371,224,096</b>	<b>\$ 419,923,653</b>	<b>\$393,073,485</b>

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Government-Wide Revenues  
 For the Three Years Ended June 30, 2018

(Unaudited)

<b>Governmental Activities</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Program Revenues			
Charges for Services	\$ 119,571	\$ 329,646	\$ 685,107
Operating Grants and Contributions	61,380,194	32,790,105	33,570,030
Capital Grants and Contributions	7,724,098	25,742,490	75,235,923
General Revenues			
Ad Valorem Taxes	169,281,560	165,148,640	158,311,016
Sales and Use Taxes	139,638,108	132,079,437	127,844,470
State Revenue Sharing	2,839,496	2,829,764	2,690,500
Minimum Foundation Program (MFP)	24,693,985	66,456,119	64,377,681
Interest and Investment Earnings	870,048	236,795	75,553
Donation of Capital Assets	158,318,974	-	43,359,340
Judgments	25,548	1,089,834	20,499,056
Proceeds from Insurance Settlements	169,130	-	-
Miscellaneous	34,467,391	9,207,728	14,755,785
<b>Total Governmental Activities</b>	<b>\$ 599,528,103</b>	<b>\$ 435,910,558</b>	<b>\$ 541,404,461</b>

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 General Fund Expenditures by Function (Continued)  
 Last Ten Fiscal Years  
 June 30, 2018

(Unaudited)

General Fund	2017 - 2018	2016 - 2017	2015 - 2016	2014 - 2015	2013 - 2014	2012 - 2013
Instructional						
Regular Programs	\$ 11,754,289	\$ 13,655,371	\$13,554,994	\$12,410,465	\$11,266,628	\$13,027,746
Special Programs	3,605,503	4,062,121	3,958,191	3,656,783	3,239,265	3,183,692
Other Programs	2,737,877	2,549,970	1,571,703	1,820,091	1,950,512	1,967,446
Support Services						
Student Services	3,002,389	3,546,025	3,250,828	2,958,673	2,092,943	2,097,799
Instructional Staff Support	1,547,513	2,023,129	2,087,964	1,850,248	1,817,001	1,689,262
General Administration	5,480,021	3,822,539	3,836,725	3,482,791	2,705,463	2,389,186
School Administration	3,659,202	3,247,948	2,750,339	2,433,712	2,423,014	2,401,313
Business Administration						
Business Services	1,650,243	1,557,336	2,023,742	1,904,154	1,960,726	1,763,709
Plant Services	7,050,519	7,259,427	7,765,991	6,036,785	6,373,241	5,570,994
Student Transportation Services	3,220,920	4,553,681	4,171,244	3,393,135	3,165,738	3,206,358
Central Services	3,181,351	2,638,823	2,349,547	3,138,057	3,809,623	2,769,916
Capital Outlay	-	-	28,002	-	-	-
Other	1,627,875	2,837,248	1,300,000	1,300,000	-	-
Debt Service	-	-	-	-	-	-
<b>Total</b>	<b>\$ 48,517,702</b>	<b>\$ 51,753,618</b>	<b>\$ 48,649,270</b>	<b>\$ 44,384,894</b>	<b>\$ 40,804,154</b>	<b>\$ 40,067,421</b>

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 General Fund Expenditures by Function (Continued)  
 Last Ten Fiscal Years  
 June 30, 2018

(Unaudited)

<b>Governmental Activities</b>	<b>2011 - 2012</b>	<b>2010 - 2011</b>	<b>2009 - 2010</b>	<b>2008 - 2009</b>	<b>2007 - 2008</b>
Instructional					
Regular Programs	\$ 10,783,639	\$ 9,708,233	\$ 11,741,153	\$ 12,293,081	\$ 13,135,211
Special Programs	3,029,204	2,881,996	2,224,169	2,297,469	2,248,217
Other Programs	2,051,161	2,411,786	1,485,948	1,682,444	1,896,083
Support Services					
Student Services	2,181,313	2,026,753	1,060,801	1,937,578	2,441,699
Instructional Staff Support	1,564,722	1,417,888	1,127,846	1,929,356	2,230,574
General Administration	4,076,291	4,262,910	3,000,371	3,249,389	12,816,283
School Administration	2,378,693	2,017,519	1,457,434	1,593,290	1,794,791
Business Administration					
Business Services	1,639,885	1,886,694	2,041,587	2,181,043	2,706,386
Plant Services	5,699,167	5,928,194	5,361,358	5,869,546	8,917,945
Student Transportation Services	3,468,801	3,159,234	2,551,994	2,837,647	2,567,773
Central Services	2,496,616	2,745,644	3,475,355	1,718,313	10,136,366
Capital Outlay	-	-	-	-	61
Other	5,783	5,412	370,000	5,911,773	-
Debt Service	-	-	-	-	-
<b>Total</b>	<b>\$ 39,375,275</b>	<b>\$ 38,452,263</b>	<b>\$ 35,898,016</b>	<b>\$ 43,500,929</b>	<b>\$ 60,891,389</b>

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

Independent Auditor's Report

To the Orleans Parish School Board  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 18, 2018. Our report includes a reference to other auditors who audited the financial statements of the following aggregate discretely presented component units: Warren Easton Senior High School, Hynes Charter School, Homer A. Plessy Community School, Cypress Academy, Rooted School, and Foundation Preparatory, as described in our report on the School Board's financial statements. The report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness.

**Compliance and Other Matters**

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

**School Board's Response to Finding**

The School Board's response to the finding 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.

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



A Professional Accounting Corporation

Metairie, LA  
December 18, 2018



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

Independent Auditor's Report

To the Orleans Parish School Board  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the Orleans Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

**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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the School Board as of and for the year ended June 30, 2018, and have issued our report thereon dated December 18, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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



A Professional Accounting Corporation

Metairie, LA  
December 18, 2018

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor No.	School Board Expenditures	Charter Pass-Through Expenditures
United States Department of Agriculture				
Passed Through Louisiana Department of Agriculture				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	-	\$ 554,438	\$ -
Noncash Assistance Subtotal			554,438	-
Cash Assistance:				
National School Lunch Program	10.555	-	3,760,167	-
Summer Food Service Program for Children	10.559	-	499,083	-
Cash Assistance Subtotal			4,259,250	-
T total United States Department of Agriculture			4,813,688	-
United States Department of Defense				
ROTC	12.998	-	62,888	-
T total United States Department of Defense			62,888	-
United States Department of Education				
Passed through the Louisiana Department of Education				
No Child Left Behind Act (NCLB)				
Title I	84.010A	28-17-T 1-36	4,929,236	3,799,297
Title II, Part A- Elementary and Secondary Education Act	84.367A	28-17-50-36	520,095	301,765
Title III	84.365A	28-17-S3-36	84,668	1,660
Safe and Drug-Free Schools and Communities	84.186A		2,375	-
Individuals with Disabilities and Exceptionalities Act (IDEA)				
IDEA Part B	84.027A	28-17-B1-36	3,239,173	94,682
IDEA Preschool	84.173A	28-17-P 1-36	102,580	
Vocational Education				
Carl Perkins	84.048	28-17-02-36	35,363	35,072
Direct Funding				
PBIS Improvement Initiative	84.184G		431,698	219,452
Literacy for Life Project	84.215G		27,611	60,503
Teacher and School Leader Incentive Grants	84.374		476,158	-
McKinney-Vento Homeless	84.196A	28-17-H1-36	74,005	5,300
T total United States Department of Education			9,922,962	4,517,731
United States Department of Health and Human Services				
Passed through the Louisiana Department of Education				
Temporary Assistance for Needy Families (TANF) After School For All	93.558B	28-17-36-36	333,421	49,926
T total United States Department of Health and Human Services			333,421	49,926
United States Department of Homeland Security				
Passed through the Louisiana Department of Education				
Disaster Grants - Public Assistance	97.036	-	6,374,099	-
T total United States Department of Homeland Security			6,374,099	-
T total Expenditures of Federal Awards			21,507,058	4,567,657
			\$	26,074,715

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

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**Note 1. Basis of Presentation**

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

**Note 2. Reconciliation to the Basic Financial Statements**

The expenditures listed in the accompanying schedule are reported in the following funds in either the governmental funds statement of revenues, expenditures and changes in fund balances (basic statement) or the non-major special revenue funds combining statement of revenues, expenditures and changes in fund balance, (supplementary information) of the Orleans Parish School Board's June 30, 2018, financial statements.

General Fund	\$ 62,888
Hurricane Katrina Restoration Fund	6,374,099
Federal Grant Fund	14,824,040
Child Nutrition Fund	<u>4,813,688</u>
Financial Statement Total	<u>\$ 26,074,715</u>
<b>Schedule of Expenditures of Federal Awards Total</b>	<b><u>\$ 26,074,715</u></b>

**Note 3. USDA Commodities**

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

**Note 4. De Minimis Cost Rate**

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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**Section 1. Summary of Auditor's Results**

Financial Statements

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

Federal Awards

1.	Internal control over major programs	
a.	Material weaknesses identified	No
b.	Significant deficiencies identified	No
2.	Type of auditors' report issued on compliance for major programs	Unmodified
3.	Audit findings disclosed that are required in accordance with Section 2 CFR 200.516(a)	No
4.	Identification of major programs	
	Title II, Part A - Elementary and Secondary Education Act	84.367A
	PBIS Improvement Initiative	84.184G
	Disaster Grants - Public Assistance	93.036
5.	Dollar threshold used to distinguish between Type A and B programs	\$782,241
6.	Auditee qualified as a low-risk auditee?	Yes

**Section 2. Findings – Financial Statement Audit**

**2018-001 – General Ledger Reconciliations**

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

Criteria: Control procedures over general ledger account reconciliations (accounts payable, accounts receivable, capital assets) are required in order to reduce the likelihood that a material misstatement will not be prevented or detected and corrected in a timely basis.

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018

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**Section 2. Findings – Financial Statement Audit (Continued)**

**2018-001 – General Ledger Reconciliation (Continued)**

Cause: We believe that the cause of the issues noted is the result of several factors, including: (1) significant turnover in key positions in the finance department during the year, particularly close to audit fieldwork date; (2) lack of suitable controls/processes over account reconciliations to ensure timely and accurate financial information; (3) lack of utilization of the full capabilities of the MUNIS system for accounting personnel resulted in difficulty in obtaining accurate schedules for audit testing.

Effect: Management, in the normal course of performing their assigned functions, cannot prevent or detect misstatements on a timely basis thus resulting in numerous year-end adjusting entries and potential material misstatements.

Auditor's Recommendation: Procedures and processes should be implemented to ensure that financial reporting is timely and accurate. Additional finance personnel and/or an internal audit function, either internal or outsourced, may assist in improving in these areas. We also recommend that the School Board engage a consultant to assist in ensuring all capabilities are being utilized through the accounting software currently in place.

Views of Responsible Officials: The administration takes very seriously its responsibility to manage the resources allocated to the district to meet the needs of the students and families. We also take seriously the responsibility that we must have robust and accurate systems for monitoring and reconciling the use of these resources. Management recognizes that turnover in key positions in the finance department during the year, particularly close to the initiation of audit fieldwork as well as lack of utilization of the full capabilities of MUNIS system for accounting personnel resulted in difficulty obtaining schedules for testing. Additionally, management agrees with the Auditor's recommendation that additional finance capacity, including the possibility of implementing an internal audit function, would assist in improving these areas and ensuring accountability.

Management is happy to report that the district advertised for an additional accounting position to assist with reconciliation of accounts, and we anticipate the position will be filled by the end of January. Additionally, the district previously contracted with two temporary accountants to assist with the reconciliation process. With an additional accountant, as well as short-term assistance, all accounts will be reconciled to date by the end of January, 2019.

Also of note, the accounting team has undergone training on the MUNIS system to understand full capabilities and the district has contracted with MUNIS to provide additional system training throughout the year.

**Section 3. Findings and Questioned Costs – Major Federal Award Programs Audit**

None.



## ORLEANS PARISH SCHOOL BOARD

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### Findings – Financial Statement Audit

#### 2018-001 – General Ledger Reconciliation

Name of Contact Person: Eric Seling, COO

#### Corrective Action:

The administration takes very seriously its responsibility to manage the resources allocated to the district to meet the needs of the students and families. We also take seriously the responsibility that we must have robust and accurate systems for monitoring and reconciling the use of these resources. Management recognizes that turnover in key positions in the finance department during the year, particularly close to the initiation of audit fieldwork as well as lack of utilization of the full capabilities of MUNIS system for accounting personnel resulted in difficulty obtaining schedules for testing. Additionally, management agrees with the Auditor's recommendation that additional finance capacity, including the possibility of implementing an internal audit function, would assist in improving these areas and ensuring accountability.

Management is happy to report that the district advertised for an additional accounting position to assist with reconciliation of accounts, and we anticipate the position will be filled by the end of January. Additionally, the district previously contracted with two temporary accountants to assist with the reconciliation process. With an additional accountant, as well as short-term assistance, all accounts will be reconciled to date by the end of January, 2019.

Also of note, the accounting team has undergone training on the MUNIS system to understand full capabilities and the district has contracted with MUNIS to provide additional system training throughout the year.

#### Proposed Completion Date:

FY19 reconciliations will be completed and up to date by January 31<sup>st</sup>, 2019. The fixed asset reconciliation process is an ongoing project that will involve the review of two to three years of documents. Additionally, we plan to implement modules for accounts receivable and accounts payable before the end of the fiscal year to produce the required schedules that have not been available for audit purposes over the past years.

Eric Seling  
Chief Operating Officer

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Schedule of Prior Audit Findings  
For the Year Ended June 30, 2018

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**2017-001 – Oversight Over Financial Reporting**

Condition: During the fiscal year, there were points in time where the accounting and reporting function did not have central oversight by someone in a CFO position. As a result, adjusting entries were needed to preliminary financial information and certain schedules had to be prepared by individuals that were not familiar with the schedules.

Status: Not Resolved. See Finding 2018-001



ORLEANS PARISH SCHOOL BOARD

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SUMMARY OF CHARTER SCHOOL FINDINGS

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.**

**Section I. Summary of Auditor's Results**

**Financial Statement Section**

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

Federal Awards

Not applicable.

**Section II. Internal Control Over Financial Reporting**

None.

**Section III. Compliance and Other Matters**

None.

## HYNES CHARTER SCHOOL CORPORATION

### Section I. Summary of Audit Results

#### Financial Statement Section

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

#### Federal Awards

Not applicable.

### Section II. Internal Control Over Financial Reporting

None.

### Section III. Compliance and Other Matters

None.

**CITIZEN'S COMMITTEE FOR EDUCATION  
D/B/A HOMER A. PLESSY COMMUNITY SCHOOL**

**Section I. Summary of Audit Results**

**Financial Statement Section**

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

Federal Awards

Not applicable.

**Section II. Internal Control Over Financial Reporting**

None.

**Section III. Compliance and Other Matters**

None.

## CYPRESS ACADEMY

### Section I. Summary of Audit Results

#### Financial Statement Section

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

#### Federal Awards

Not applicable.

### Section II. Internal Control Over Financial Reporting

None.

### Section III. Compliance and Other Matters

None.

## ELAN ACADEMY CHARTER SCHOOL

### Section I. Summary of Audit Results

#### Financial Statements

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

#### Federal Awards

Not applicable.

### Section II. Internal Control Over Financial Reporting

None.

### Section III. Compliance and Other Matters

None.

## ROOTED SCHOOL

### Section I. Summary of Audit Results

#### Financial Statements

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

#### Federal Awards

Not applicable.

### Section II. Internal Control Over Financial Reporting

None.

### Section III. Compliance and Other Matters

None.

## FOUNDATION PREPARATORY, INC.

### Section I. Summary of Audit Results

#### Financial Statements

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

#### Federal Awards

Not applicable.

### Section II. Internal Control Over Financial Reporting

None.

### Section III. Compliance and Other Matters

None.



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

To the Orleans Parish School Board  
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by the board of the Orleans Parish School Board (School Board) and the Legislative Auditor, State of Louisiana, on the Louisiana Department of Education performance and statistical data accompanying the annual financial statements of School Board for the fiscal year ended June 30, 2018, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education, in compliance with Louisiana Revised Statute 24:514.I. Management of the Orleans Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

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

Results: No discrepancies noted.

Class Size Characteristics (Schedule 2)

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

Results: No discrepancies noted.

Education Levels/Experience of Public School Staff (No Schedule)

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

Results: No discrepancies noted.

Public School Staff Data: Average Salaries (No Schedule)

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

Results: LaPorte noted ten (10) exceptions per our procedures. The PEP report included ten teachers' salaries that could not be reconciled to the payroll records.

\*\*\*\*\*

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

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



A Professional Accounting Corporation

Metairie, LA  
December 18, 2018

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
Management's Response to Agreed-Upon Procedures Findings  
For the Year Ended June 30, 2018

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## ORLEANS PARISH SCHOOL BOARD

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### Findings – Agreed Upon Procedures

#### Section –Public School Staff Data – Average Salaries

Name of Contact Person: Eric Selling, COO

Condition:

Our auditors noted that ten salaries on the report could not be reconciled to the payroll records.

Management's Response & Corrective Action:

Management will ensure that salaries on the report will be reconciled in a timely manner.

Responsible Parties: David Sprague

Implementation date: January 31, 2018

DocuSigned by:

*Eric Selling*

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Eric Selling

Chief Operating Officer

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

ORLEANS PARISH SCHOOL BOARD  
NEW ORLEANS, LOUISIANA  
General Fund Instructional and Support Expenditures and  
Certain Local Revenue Sources  
For the Year Ended June 30, 2018

Schedule 1

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures**

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 5,567,132
Other Instructional Staff Activities	708,652
Instructional Staff Employee Benefits	4,092,466
Purchased Professional and Technical Services	566,429
Instructional Materials and Supplies	549,974

**Total Teacher and Student Interaction Activities** \$ 11,484,653

Pupil Support Activities 3,002,392

Less: Equipment for Pupil Support Activities (69,739)

Net Pupil Support Activities 2,932,653

Instructional Staff Services 1,547,877

Less: Equipment for Instructional Staff Services (76,746)

Net Instructional Staff Services 1,471,131

School Administration 3,659,205

Less: Equipment for School Administration (4,649)

Net School Administration 3,654,556

**Total General Fund Instructional Expenditures** \$ 19,542,993

**Certain Local Revenue Sources**

**Local Taxation Revenue**

Constitutional Ad Valorem Taxes	\$ 105,525,067
Renewable Ad Valorem Tax	56,119,647
Debt Service Ad Valorem Tax	10,533,610
Facilities Preservation Ad Valorem Tax	7,823,239
Up to 1% of Collections by the Sheriff on Taxes	(10,720,003)
Sales and Use Taxes	117,815,817
Debt Service Sales and Use Tax	11,735,260
Facilities Preservation Sales and Use Tax	10,087,031

**Total Local Taxation Revenue** \$ 308,919,668

**Local Earnings on Investment in Real Property** \$ 7,588

**State Revenue Sharing** \$ 2,839,496

**Nonpublic Textbook Revenue** \$ 446,178

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

ORLEANS PARISH SCHOOL BOARD  
 NEW ORLEANS, LOUISIANA  
 Class Size Characteristics  
 As of October 1, 2017

Schedule 2

CLASS SIZE RANGE										
SCHOOL TYPE	TYPE TOTAL	%	1 THRU 20	%	21 THRU 26	%	27 THRU 33	%	34+	%
ELEMENTARY	334	43%	75	30%	113	43%	130	55%	16	52%
ELEMENTARY ACTIVITY CLASSES	90	12%	42	17%	25	10%	19	8%	4	13%
MIDDLE	0	0%	0	0%	0	0%	0	0%	0	0%
MIDDLE/JR. HIGH ACTIVITY CLASSES	0	0%	0	0%	0	0%	0	0%	0	0%
HIGH	0	0%	0	0%	0	0%	0	0%	0	0%
HIGH ACTIVITY CLASSES	0	0%	0	0%	0	0%	0	0%	0	0%
COMBINATION	210	27%	21	9%	107	41%	73	31%	9	29%
COMBINATION ACTIVITY CLASSES	143	18%	110	44%	16	6%	15	6%	2	6%
<b>TOTAL</b>	<b>777</b>	<b>100%</b>	<b>248</b>	<b>100%</b>	<b>261</b>	<b>100%</b>	<b>237</b>	<b>100%</b>	<b>31</b>	<b>100%</b>

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



**AGREED-UPON PROCEDURES REPORT**  
Orleans Parish School Board

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2017 - June 30, 2018**

Mr. Eric Seling, COO  
Orleans Parish School Board  
3520 General DeGaulle Drive  
New Orleans, LA 70114

We have performed the procedures enumerated below, which were agreed to by Orleans Parish School Board (the School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the School Board address all the functions listed, with the following exception. For 1 (f), Contracting, the policy did not include legal review. While this was not in written form, OPSB does have a policy that it follows.

### **Board or Finance Committee**

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



Results: The School Board met with a quorum on a monthly basis. The minutes reference budget-to-actual comparisons for the General Fund at all but three of the Budget and Finance Committee meetings. The minutes reference budget-to-actual comparisons for the Timbers Enterprise Fund for four of the meetings. The minutes do not reference budget-to-actual comparisons on the other major funds.

### ***Collections***

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

Results: We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

Results: No exceptions noted.

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

Results: Inquired of management and the School Board's insurance policy covers theft.

6. Randomly select two deposit dates for five bank accounts selected (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: We selected three cash collection locations for testing. We were able to trace all six deposits per the bank statement to the general ledger. We were unable to test attribute (d) for five of the of the deposits tested due to documentation not stating the day of collection. We were unable to test attributes (a), (b) and (c) for two of the deposits due to lack of suitable supporting documentation.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

Results: We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) and management's representation that the listing is complete.

- 8. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: The monthly statements selected for testing was noted with review and approval by someone other than the card holder. One of the monthly statements tested was assessed a finance charge of \$10.34.

- 9. Using the monthly statements or combined statements selected, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: No exceptions noted.

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

10. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions noted.

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

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



A Professional Accounting Corporation

Metairie, LA  
December 18, 2018

# ORLEANS PARISH SCHOOL BOARD

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



## Findings – Agreed Upon Procedures

### Section – Written Policies and Procedures

Name of Contact Person: Eric Seling, COO

Please find below management's response and the corrective action that has been taken by the district.

#### Condition:

"The policies of the School Board address all the functions listed, with the following exception. For 1 (f): Contracting, the policy did not include legal review. While this was not in written form, OPSB does have a policy that they follow."

#### Management's Response & Corrective Action:

The district currently has a process in place that requires the review of our General Counsel before any contract can be executed. We are revising our written procedures to document the review process that includes our General Counsel. The form currently being utilized by OPSB is attached.

Responsible Parties: Jonathan Temple, Kathy Moss, David Trautenberg

Implementation date: Policies and procedures will be updated by December 31, 2018.

Eric Seling  
Chief Operating Officer

# ORLEANS PARISH SCHOOL BOARD

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## Findings – Agreed Upon Procedures

### Section – Collections

Name of Contact Person: Eric Selling, COO

We appreciate your efforts to identify opportunities for improvement in the area of our accountability of public assets. Please find below the corrective action that has been taken by the district.

#### Condition:

The auditors completed their review of cash collection locations for testing and they had the following concerns:

- They were unable to test five deposits due to documentation not stating the day of collection.
- Also, they were unable to determine if sequentially pre-numbered receipts were in use, trace sequentially pre-numbered receipts, obtain system reports, and other related collection documentation to the deposit slip; and lastly trace the deposit slip total to the actual deposit per the bank statement.

#### Management's Response & Corrective Action:

The district currently utilizes Primero Edge as its recordkeeping system for cash collections from students and staff at 13 of its schools. Although a receipt is not provided to the students at the point of sale, the sale is entered into the Primero Edge system and daily reports are obtained that captures total sales that are reviewed and approved by two persons. These funds are deposited to the bank. All documentation will be submitted to accounting for recordkeeping purposes. It should also be noted that most students who are paying customers make deposits on accounts online and swipe their badges through the lines to reduce the amount of cash actually being collected. The system has the capabilities of generating a receipt at the point of sale and we will work to fully use the functionality of the system in lieu of issuing manual receipts.

Responsible Parties: Rosie Jackson and LaKenya Collins

Implementation date: Policies and procedures will be updated by January 31, 2019

Eric Selling  
Chief Operating Officer