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ORLEANS PARISH SCHOOL BOARD

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2023



Orleans Parish School Board
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Independent Auditors' Report

Board Members
Orleans Parish School Board
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (the School Board) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios, the Schedule of the School Board's Proportionate Share of the Net Pension Liability for the Retirement Systems, the Schedule of Employer Contributions to the Retirement Systems, the Budgetary Comparison Schedules – Major Governmental Funds, and the related notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, including the Combining and Individual Non-Major Fund Financial Statements; the Schedule of Compensation Paid to Board Members; the Schedule of Legacy Costs; the Schedule of Compensation, Benefits, and Other Payments to the Superintendent; and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2024, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2024

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LLP



REQUIRED SUPPLEMENTARY INFORMATION (PART I)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

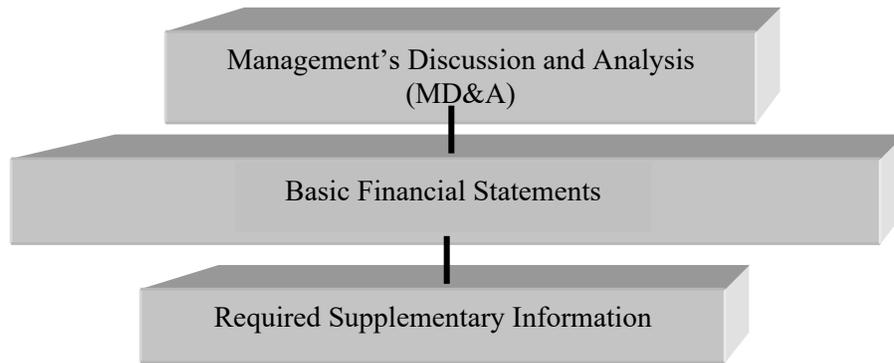
The Management’s Discussion and Analysis of the Orleans Parish School Board’s financial performance presents a narrative overview and analysis of the Orleans Parish School Board’s financial activities for the year ended June 30, 2023. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information (where available).

FINANCIAL HIGHLIGHTS

- As of June 30, 2023, governmental activities net position was \$1.70 billion, which increased by \$50.8 million (3.1%). Business-type activities net position was \$71.2 million, which decreased by \$41.0 million (36.6%).
- As of June 30, 2023, the Orleans Parish School Board reported a consolidated net position of \$1.77 billion, which is an increase of \$9.8 million (0.6%) from the June 30, 2022, balance of \$1.76 billion.
- As of June 30, 2023, the Orleans Parish School Board reported a General Fund, fund balance of \$90.5 million. This represents an increase of \$7.6 million (9.2%) from the June 30, 2022, balance of \$82.9 million.
- Ad valorem tax revenues totaled \$213.9 million, which represents an increase of \$27.4 million (14.7%) from the prior year.
- Sales tax revenues totaled \$177.8 million, an increase of \$14.5 million (8.9%) as business conditions continued to improve following the loosening of COVID-19 restrictions.
- Minimum Foundation Program (MFP) funding from the state of Louisiana, an unrestricted block grant determined by a complex four-tiered formula, totaled \$225.8 million, an increase of \$20.2 million (9.8%) from the prior year.
- As of June 30, 2023, the Orleans Parish School Board reported total long-term debt of approximately \$64.1 million, comprised of (1) other postemployment benefit obligations totaling \$291 thousand; (2) net pension liability of \$29.1 million; (3) compensated absences of \$1.3 million; and (4) claims payable totaling \$33.4 million.
- As of June 30, 2023, the Orleans Parish School Board had net capital assets (book value less accumulated depreciation) of \$1.52 billion.
- Expenditures for capital assets totaled \$7.5 million in the fiscal year ended June 30, 2023. A total of \$32.9 million was recognized as donated assets from the Recovery School District for ongoing construction projects and from unwinding a tax credit entities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

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

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

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

Both of the government-wide financial statements present activities of the Orleans Parish School Board that are principally supported by taxes and intergovernmental revenues (governmental activities) as well as business-type activities, which are business-like in nature and primarily supported by user fees and charges for services. The governmental activities of the Orleans Parish School Board include services for students with special needs, district-wide enrollment, charter school portfolio innovation and accountability, and school support, in addition to various ancillary executive and administrative services. The Orleans Parish School Board's business-type activities include leasing office space and tax credit financing activities.

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund financial statements (continued)

Governmental funds (continued)

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

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

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

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

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

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

FINANCIAL ANALYSIS: STATEMENT OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash, investments, and other assets	\$ 260,762,873	\$ 237,520,921	\$ 65,497,287	\$ 110,959,584	\$ 326,260,160	\$ 348,480,505
Capital assets	1,516,751,820	1,525,147,959	5,895,523	6,058,821	1,522,647,343	1,531,206,780
Total assets	<u>1,777,514,693</u>	<u>1,762,668,880</u>	<u>71,392,810</u>	<u>117,018,405</u>	<u>1,848,907,503</u>	<u>1,879,687,285</u>
Deferred Outflows of resources	12,659,507	12,273,496	-	-	12,659,507	12,273,496
Other liabilities	15,947,359	35,394,452	135,819	4,726,734	16,083,178	40,121,186
Long-term liabilities	64,146,687	66,653,872	37,549	36,572	64,184,236	66,690,444
Total liabilities	<u>80,094,046</u>	<u>102,048,324</u>	<u>173,368</u>	<u>4,763,306</u>	<u>80,267,414</u>	<u>106,811,630</u>
Deferred Inflows of resources	11,592,230	25,216,788	-	-	11,592,230	25,216,788
Net position:						
Net investment in capital assets	1,516,751,820	1,525,147,959	5,895,523	6,058,821	1,522,647,343	1,531,206,780
Restricted	103,501,463	82,657,604	68,234,836	108,475,530	171,736,299	191,133,134
Unrestricted	78,234,641	39,871,701	(2,910,917)	(2,279,252)	75,323,724	37,592,449
Total net position	<u>\$ 1,698,487,924</u>	<u>\$ 1,647,677,264</u>	<u>\$ 71,219,442</u>	<u>\$ 112,255,099</u>	<u>\$ 1,769,707,366</u>	<u>\$ 1,759,932,363</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

FINANCIAL ANALYSIS: STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 14,209,567	\$ 10,331,651	\$ 787,547	\$ 2,180,764	\$ 14,997,114	\$ 12,512,415
Operating grants and contributions	46,327,234	24,856,105	-	-	46,327,234	24,856,105
Capital grants and contributions	-	8,881,171	-	-	-	8,881,171
General Revenues						
Ad valorem taxes	213,912,055	186,540,616	-	-	213,912,055	186,540,616
Sales taxes	177,817,391	163,353,311	-	-	177,817,391	163,353,311
State revenue sharing program	2,615,230	2,642,275	-	-	2,615,230	2,642,275
Minimum Foundation Program	225,771,009	205,557,017	-	-	225,771,009	205,557,017
Interest and Investment Earnings	6,061,807	(989,970)	1,285,017	2,163,419	7,346,824	1,173,449
Unallocated grants and contributions	14,406,965	3,567,339	-	-	14,406,965	3,567,339
Other general revenues	37,202,062	74,941,809	-	-	37,202,062	74,941,809
Transfer - net	6,000	-	(6,000)	-	-	-
Total revenues	738,329,320	679,681,324	2,066,564	4,344,183	740,395,884	684,025,507
Functions/Program Expenses:						
Instruction						
Regular programs	545,067	1,212,692	-	-	545,067	1,212,692
Special education	3,150,161	3,934,029	-	-	3,150,161	3,934,029
Other instructional	4,449,929	5,026,479	-	-	4,449,929	5,026,479
Special programs	4,052,278	4,709,482	-	-	4,052,278	4,709,482
Support services						
Student services	5,563,625	5,895,531	-	-	5,563,625	5,895,531
Instructional staff support	1,145,220	2,351,024	-	-	1,145,220	2,351,024
General administration	9,996,824	13,590,800	-	-	9,996,824	13,590,800
School administration	1,063,254	1,304,794	-	-	1,063,254	1,304,794
Business services	5,375,805	3,596,482	-	-	5,375,805	3,596,482
Plant services	13,392,730	17,453,167	-	-	13,392,730	17,453,167
Student transportation services	-	10,350	-	-	-	10,350
Central services	4,390,013	3,527,684	-	-	4,390,013	3,527,684
Food services	2,888,937	2,058,460	-	-	2,888,937	2,058,460
Appropriations - Charter Schools	631,504,817	521,540,545	-	-	631,504,817	521,540,545
Enterprise operations	-	-	43,102,221	13,486,253	43,102,221	13,486,253
Total expenses	687,518,660	586,211,519	43,102,221	13,486,253	730,620,881	599,697,772
Increase (decrease) in net position	50,810,660	93,469,805	(41,035,657)	(9,142,070)	9,775,003	84,327,735
Net Position - beginning	1,647,677,264	1,554,207,459	112,255,099	121,397,169	1,759,932,363	1,675,604,628
Net Position - ending	\$ 1,698,487,924	\$ 1,647,677,264	\$ 71,219,442	\$ 112,255,099	\$ 1,769,707,366	\$ 1,759,932,363

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

FINANCIAL ANALYSIS: STATEMENT OF ACTIVITIES (continued)

Ad valorem tax revenues totaled \$213.9 million, which represents an increase of \$27.4 million (14.7%) from the prior year. Sales tax revenues totaled \$177.8 million, an increase of \$14.5 million (8.9%) as business conditions continued to improve following the loosening of COVID-19 restrictions. Minimum Foundation Program (MFP) funding from the state of Louisiana, an unrestricted block grant determined by a complex four-tiered formula, totaled \$225.8 million, an increase of \$20.2 million (9.8%) from the prior year. General administrative expenses decreased by \$3.6 million to \$10.0 million principally due to changes in estimates of future claims expense.

Appropriations to charter schools increased to \$631.5 million in 2023 from \$521.5 million in 2022, a change of \$110.0 million (21.1%). Changes in sales tax revenue and MFP funding drive the changes in appropriations to charter schools. Further, current year appropriations to charter schools are based on the preceding year's revenues. The increase in appropriations to charter schools is consistent with the increase in appropriations to charter schools as a percentage of sales tax revenue and MFP funding.

Expenditures for capital assets totaled \$8.6 million in the fiscal year ended June 30, 2023. A total of \$32.9 million was recognized as donated assets from the Recovery School District for ongoing construction projects.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

ANALYSIS OF BUDGET VARIATIONS – GENERAL FUND

In the general fund, actual revenues exceeded budgeted revenues by \$41.5 million (188.5%) and actual expenditures were less than budgeted expenditures by \$2.8 million (8.0%), exclusive of operating transfers in and out, as shown in the following schedule:

General Fund Budgetary Comparison				
	Original	Final	Actual	Variance
<u>Revenues</u>				
Local sources:				
Ad valorem taxes	\$ 1,100,000	\$ 1,100,000	\$ 2,441,847	\$ 1,341,847
Sales and use taxes	1,100,000	1,100,000	22,248,609	21,148,609
Earnings on investments	300,000	300,000	6,023,872	5,723,872
Other	14,633,408	14,633,408	23,994,197	9,360,789
State sources:				
Equalization - Minimum Foundation	1,459,679	1,459,679	3,574,173	2,114,494
Other	3,421,378	3,421,378	2,952,187	(469,191)
Total Revenues	22,014,465	22,014,465	63,509,360	41,494,895
<u>Expenditures</u>				
Current:				
Instruction:				
Regular programs	420,000	420,000	446,397	(26,397)
Special education	1,003,647	1,003,647	1,291,246	(287,599)
Other Instructional programs	9,111,000	9,111,000	4,309,036	4,801,964
Support: services:				
Student services	3,682,038	3,682,038	4,108,549	(426,511)
Instructional staff support	724,443	724,443	1,088,421	(363,978)
General administration	6,110,240	6,110,240	4,022,361	2,087,879
School administration	10,500	10,500	948,254	(937,754)
Business services	3,210,836	3,210,836	5,492,057	(2,281,221)
Plant services	4,982,539	4,982,539	4,752,984	229,555
Central services	6,155,125	6,155,125	5,551,659	603,466
Appropriations - Charter Schools and OJJ:				
Type II Charter Schools and OJJ	-	-	392,431	(392,431)
Capital Outlay:				
Facilities acquisition and construction	-	-	70,943	(70,943)
Other	-	-	109,526	(109,526)
Total Expenditures	35,410,368	35,410,368	32,583,864	2,826,504
Excess of revenues over (under) expenditures	<u>(13,395,903)</u>	<u>(13,395,903)</u>	<u>30,925,496</u>	<u>44,321,399</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	13,755,000	13,755,000	5,833,077	7,921,923
Transfers out	(21,378)	(21,378)	(29,131,710)	29,110,332
Total other financing sources (uses)	<u>13,733,622</u>	<u>13,733,622</u>	<u>(23,298,633)</u>	<u>(37,029,239)</u>
Net change in fund balance	337,719	337,719	7,629,879	7,292,160
Fund balance - beginning	<u>51,892,060</u>	<u>51,892,060</u>	<u>82,878,463</u>	<u>30,986,403</u>
Fund balance - ending	<u>\$ 52,229,779</u>	<u>\$ 52,229,779</u>	<u>\$ 90,508,342</u>	<u>\$ 38,278,563</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023 the Orleans Parish School Board had \$1.53 billion (net of accumulated depreciation) invested in a broad range of capital assets, including land, buildings and improvements, and furniture and equipment. This amount represents a decrease (including additions and depreciation) of \$8.6 million from last year, primarily for construction in progress related to buildings offset by depreciation expense.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 39,837,373	\$ 39,837,373	\$ 1,440,992	\$ 1,440,992	\$ 41,278,365	\$ 41,278,365
Construction in progress	149,700,264	136,542,007	-	-	149,700,264	136,542,007
Buildings and improvements	1,708,569,050	1,681,282,550	6,377,352	6,377,352	1,714,946,402	1,687,659,902
Furniture and equipment	13,450,475	13,450,475	-	-	13,450,475	13,450,475
Accumulated depreciation	(394,805,342)	(345,964,446)	(1,922,821)	(1,759,523)	(396,728,163)	(347,723,969)
Totals	\$ 1,516,751,820	\$ 1,525,147,959	\$ 5,895,523	\$ 6,058,821	\$ 1,522,647,343	\$ 1,531,206,780

During the fiscal year ended June 30, 2023, the Orleans Parish School Board had the following projects either in progress or completed during the year:

<u>Facility</u>	<u>Description of Project</u>	<u>Project Amount</u>
Martin Behrman ES	Facility Renovations	\$ 41,882,549
Kerelec CTE	Facility Renovations	39,566,047
New Cohen HS	Facility Renovations	33,858,914
Fredrick Douglass HS	Water Intrusion and Auditorium Renovation	5,101,124
Eleanor McMMain HS	Auditorium Renovations	3,881,178
Warren Easton HS	Roof Repair and ADA Improvements	1,976,202
Sylvania Williams HS	Classroom Repairs	1,007,790
Ben Franklin HS	Roof repair	493,360
Booker T. Washington	Facility Renovation	29,099

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

During the fiscal year ended June 30, 2022, the Orleans Parish School Board had the following projects either in progress or completed during the year:

<u>Facility</u>	<u>Description of Project</u>	<u>Project Amount</u>
Marquis De Lafayette ES	Facility Renovations	\$21,160,934
Martin Behrman ES	Facility Renovations	30,098,712
New Cohen HS	Facility Renovations	24,684,312
Kerelec CTE	Facility Renovations	30,629,674
Rosenwald Collegiate HS	Facility Renovations	13,951,948
Fredrick Douglass HS	Water Intrusion and Auditorium Renovation	5,101,124
Warren Easton HS	Roof Repair and ADA Improvements	1,976,202
Sylvania Williams HS	Classroom Repairs	1,007,790
Ben Franklin HS	Roof repair	493,360
Eleanor McMain HS	Auditorium Renovations	3,881,178

Long-term Debt

Participants in multiple-employer cost-sharing defined-benefit pension plans, such as the Orleans Parish School Board, are required to record their proportionate share of the total unfunded accrued liability of each pension in which their employees participate on their government-wide financial statements, which totaled approximately \$29.1 million as of June 30, 2023. More detailed defined benefit pension plan information is available in Note 10.

Governments are required to recognize a net other postemployment benefits liability that is actuarially determined using prescribed methods and based on plan assumptions. This liability totaled approximately \$300 thousand as of June 30, 2023. More detailed other postemployment benefit information is available in Note 11.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economic viability of the Orleans Parish School Board is tied in large measure to the state funding formula (Minimum Foundation Program) and the sales and property tax base. The Orleans Parish School Board considered the following factors and indicators when setting their 2023-2024 general fund budget:

- MFP revenues from the state are expected to decrease by \$4.0 million due to a decrease local revenue sources.
- Sales tax revenues are budgeted to increase slightly from 2022-2023 as business conditions, including tourism, continue to improve related to the loosening of COVID-19 restrictions and general economic improvements.
- Ad valorem revenues are budgeted to remain relatively flat due to minimal changes in the taxable assessed value of property as well as a slowdown in the local housing market.
- ESSER Funds and ARP Funds are projected at \$45.725 million based on increased allocations from the Louisiana Department of Education from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, the Elementary and Secondary School Emergency Relief Fund (ESSER Fund).

CONTACTING THE ORLEANS PARISH SCHOOL BOARD

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

Mr. Stuart M. Gay
Chief Financial Officer
Orleans Parish School Board
2401 Westbend Parkway, Suite 5055
New Orleans, Louisiana 70114
Phone: (504) 359-6984
Email: sgay@nolapublicschools.com

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

BASIC FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2023

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,413,504	\$ 12,019,622	\$ 16,433,126
Equity in pooled assets	200,946,028	-	200,946,028
Receivables	50,069,172	293,848	50,363,020
Inventories	49,754	-	49,754
Prepaid items	120,811	-	120,811
Internal balances	5,163,604	(5,163,604)	-
Loans receivable	-	58,347,421	58,347,421
Capital Assets			-
Land	39,837,373	1,440,992	41,278,365
Construction in progress	149,700,264	-	149,700,264
Capital assets, net of accumulated depreciation	1,327,214,183	4,454,531	1,331,668,714
TOTAL ASSETS	1,777,514,693	71,392,810	1,848,907,503
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred pension contributions	4,217,020	-	4,217,020
Deferred amounts related to net pension liability	6,457,807	-	6,457,807
Deferred amounts related to total other post-employment benefit liability	1,984,680	-	1,984,680
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,659,507	-	12,659,507
<u>LIABILITIES</u>			
Accounts, salaries and other payables	13,455,879	135,819	13,591,698
Retainage payable	1,430,783	-	1,430,783
Unearned revenues	1,060,697	-	1,060,697
Internal balances	-	-	-
Long-term liabilities			
Due within one year:			
Compensated absences and claims liabilities	1,401,378	37,549	1,438,927
Total other post-employment benefit liability	291,298	-	291,298
Due in more than one year:			
Compensated absences and claims liabilities	33,310,228	-	33,310,228
Net pension liability	29,143,783	-	29,143,783
TOTAL LIABILITIES	80,094,046	173,368	80,267,414
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred amounts related to net pension liability	10,410,312	-	10,410,312
Deferred amounts related to total other post-employment benefit liability	1,181,918	-	1,181,918
TOTAL DEFERRED INFLOWS OF RESOURCES	11,592,230	-	11,592,230
<u>NET POSITION</u>			
Net investment in capital assets	1,516,751,820	5,895,523	1,522,647,343
Restricted for:			
Capital projects	88,400,063	68,234,836	156,634,899
Grant and donor	15,101,400	-	15,101,400
Unrestricted (deficit)	78,234,641	(2,910,917)	75,323,724
TOTAL NET POSITION	\$ 1,698,487,924	\$ 71,219,442	\$ 1,769,707,366

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

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Statement B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular programs	\$ 545,067	\$ -	\$ -	\$ -	\$ (545,067)	\$ -	\$ (545,067)
Special education	3,150,161	-	-	-	(3,150,161)	-	(3,150,161)
Vocational education	-	-	-	-	-	-	-
Other instructional programs	4,449,929	-	-	-	(4,449,929)	-	(4,449,929)
Special programs	4,052,278	-	1,723,059	-	(2,329,219)	-	(2,329,219)
Adult education	-	-	-	-	-	-	-
Support Services:							
Student services	5,563,625	-	2,344,373	-	(3,219,252)	-	(3,219,252)
Instructional staff services	1,145,220	-	323,979	-	(821,241)	-	(821,241)
General administration services	9,996,824	-	-	-	(9,996,824)	-	(9,996,824)
School administration services	1,063,254	-	-	-	(1,063,254)	-	(1,063,254)
Business services	5,375,805	-	-	-	(5,375,805)	-	(5,375,805)
Plant services	13,392,730	-	-	-	(13,392,730)	-	(13,392,730)
Student transportation services	-	-	-	-	-	-	-
Central services	4,390,013	-	-	-	(4,390,013)	-	(4,390,013)
Food Service	2,888,937	3,020	7,421,579	-	4,535,662	-	4,535,662
Enterprise Operations	-	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-	-
Appropriations - Charter Schools:							
Type II	14,121,086	-	-	-	(14,121,086)	-	(14,121,086)
Type III	617,383,731	14,206,547	34,514,244	-	(568,662,940)	-	(568,662,940)
Total Governmental Activities	687,518,660	14,209,567	46,327,234	-	(626,981,859)	-	(626,981,859)
BUSINESS-TYPE ACTIVITIES:							
Enterprise operations	43,102,221	787,547	-	-	-	(42,314,674)	(42,314,674)
Total Business-type Activities	43,102,221	787,547	-	-	-	(42,314,674)	(42,314,674)
Total Primary Government	\$ 730,620,881	\$ 14,997,114	\$ 46,327,234	\$ -	(626,981,859)	(42,314,674)	(669,296,533)
General revenues:							
Taxes:							
Property taxes					213,912,055	-	213,912,055
Sales taxes					177,817,391	-	177,817,391
State revenue sharing program					2,615,230	-	2,615,230
Grants and contributions not restricted to specific programs:							
Minimum Foundation Program					225,771,009	-	225,771,009
Interest and investment earnings					6,061,807	1,285,017	7,346,824
Unallocated grants and contributions					14,406,965	-	14,406,965
Capital asset contributions and tax credits					32,908,373	-	32,908,373
Miscellaneous					4,293,689	-	4,293,689
Transfers					6,000	(6,000)	-
Total General revenues					677,792,519	1,279,017	679,071,536
Change in net position					50,810,660	(41,035,657)	9,775,003
Net position - beginning, as restated					1,647,677,264	112,255,099	1,759,932,363
Net position - ending					\$ 1,698,487,924	\$ 71,219,442	\$ 1,769,707,366

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

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

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

Statement C

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS	NON-MAJOR	
	GENERAL	PASS-THROUGH FUND	ESSER	SCHOOL FACILITIES PRESERVATION PROGRAM	GOVERNMENTAL	TOTAL
ASSETS						
Cash and cash equivalents	\$ 52,241	\$ -	\$ -	\$ -	\$ 2,779,783	\$ 2,832,024
Equity in pooled assets	32,891,888	2,135,299	2,600,226	100,785,003	58,190,647	196,603,063
Receivables	32,702,637	-	8,634,645	-	8,750,450	50,087,732
Interfund receivables	27,993,907	-	-	-	2,993,723	30,987,630
Inventories	-	-	-	-	49,754	49,754
Prepaid items	69,811	-	-	-	51,000	120,811
TOTAL ASSETS	\$ 93,710,484	\$ 2,135,299	\$ 11,234,871	\$ 100,785,003	\$ 72,815,357	\$ 280,681,014
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 799,283	\$ 2,135,299	\$ 3,768,016	\$ 264,054	\$ 6,498,536	\$ 13,465,188
Salaries and benefits payable	2,402,859	-	-	-	-	2,402,859
Interfund payables	-	-	7,466,855	-	14,979,001	22,445,856
Unearned revenues	-	-	-	-	60,697	60,697
TOTAL LIABILITIES	3,202,142	2,135,299	11,234,871	264,054	21,538,234	38,374,600
Fund balances:						
Nonspendable	69,811	-	-	-	100,754	170,565
Restricted	30,506,665	-	-	100,520,949	40,274,302	171,301,916
Committed	8,450,922	-	-	-	9,380,053	17,830,975
Assigned	-	-	-	-	1,522,014	1,522,014
Unassigned	51,480,944	-	-	-	-	51,480,944
TOTAL FUND BALANCES	90,508,342	-	-	100,520,949	51,277,123	242,306,414
TOTAL LIABILITIES AND FUND BALANCES	\$ 93,710,484	\$ 2,135,299	\$ 11,234,871	\$ 100,785,003	\$ 72,815,357	\$ 280,681,014

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

		Statement D
Total Fund Balances at June 30, 2023 - Governmental Funds	\$	242,306,414
Governmental capital assets at June 30, 2023	1,911,557,162	
Less: Accumulated depreciation as of June 30, 2023	<u>(394,805,342)</u>	1,516,751,820
Consolidation of internal service funds		1,533,290
<p>Deferred outflows and inflows of resources are not available to pay current period expenditures and, therefore are not reported in the governmental funds.</p>		
Deferred outflow of resources - deferred pension contributions	4,217,020	
Deferred outflow of resources - related to net pension liability	6,457,807	
Deferred outflow of resources - total other post-employment benefit liability	<u>1,984,680</u>	12,659,507
Deferred inflow of resources - related to net pension liability	(10,410,312)	
Deferred inflow of resources - total other post-employment benefit liability	<u>(1,181,918)</u>	(11,592,230)
<p>Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term, are reported in the Statement of Net Position.</p>		
Balance at June 30, 2023 are:		
Net pension liability (GASB 68)	(29,143,783)	
Total other post-employment benefits liability (GASB 75)	(291,298)	
Other claims and judgments payable	(32,396,378)	
Compensated absences payable	<u>(1,339,418)</u>	(63,170,877)
Net position at June 30, 2023 - Governmental Activities		<u><u>\$ 1,698,487,924</u></u>

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

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

Statement E

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		TOTAL
	GENERAL	PASS-THROUGH FUND	ESSER	SCHOOL FACILITIES PRESERVATION PROGRAM	NON-MAJOR GOVERNMENTAL	
REVENUES						
Local sources:						
Ad valorem taxes	\$ 2,441,847	\$ 188,006,449	\$ -	\$ -	\$ 23,463,759	\$ 213,912,055
Sales and use taxes	22,248,609	135,040,061	-	-	20,528,721	177,817,391
Earnings on investments	6,023,872	-	-	-	37,935	6,061,807
Food Services	-	-	-	-	213,029	213,029
Other	23,994,197	626,914	-	-	1,181,795	25,802,906
State sources:						
Equalization-Minimum Foundation	3,574,173	222,196,836	-	-	-	225,771,009
Other	2,952,187	-	148	-	1,423,403	4,375,738
Federal sources	2,274,475	-	25,106,779	-	20,113,069	47,494,323
TOTAL REVENUES	63,509,360	545,870,260	25,106,927	-	66,961,711	701,448,258
EXPENDITURES						
Current:						
Instruction:						
Regular programs	446,397	-	-	-	133,503	579,900
Special education	1,291,246	-	1,021,174	-	1,605,470	3,917,890
Other Instructional programs	4,309,036	-	-	-	150,237	4,459,273
Special programs	-	-	-	-	4,052,278	4,052,278
Support services:						
Student services	4,108,549	-	2,228,405	-	2,404,493	8,741,447
Instructional staff support	1,088,421	-	36,203	-	302,173	1,426,797
General administration	4,022,361	11,201,187	128,892	-	1,378,354	16,730,794
School administration	948,254	-	-	-	115,000	1,063,254
Business services	5,492,057	-	890,068	-	301,171	6,683,296
Plant services	4,752,984	-	224,448	-	8,946,525	13,923,957
Central services	5,551,659	-	817,822	-	86,861	6,456,342
Food services	-	-	105,195	-	4,134,081	4,239,276
Appropriations - Charter Schools and OJJ:						
Type II Charter Schools and OJJ	392,431	13,728,655	-	-	-	14,121,086
Type III Charter Schools	-	550,072,128	14,746,853	-	3,722,061	568,541,042
Capital Outlay:						
Facilities acquisition and construction	70,943	-	-	1,870,851	5,594,590	7,536,384
Other	109,526	-	-	-	-	109,526
TOTAL EXPENDITURES	32,583,864	575,001,970	20,199,060	1,870,851	32,926,797	662,582,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 30,925,496	\$ (29,131,710)	\$ 4,907,867	\$ (1,870,851)	\$ 34,034,914	\$ 38,865,716

(continued)

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

Statement E

	<u>SPECIAL REVENUE FUNDS</u>			<u>CAPITAL PROJECTS FUNDS</u>	<u>NON-MAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>PASS-THROUGH FUND</u>	<u>ESSER</u>	<u>SCHOOL FACILITIES PRESERVATION PROGRAM</u>		
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	\$ 5,833,077	\$ 29,131,710	\$ -	\$ 49,728,600	\$ 5,000,000	\$ 89,693,387
Transfers out	(29,131,710)	-	(4,907,867)	(23,668,400)	(31,979,410)	(89,687,387)
Judgements	3,016	-	-	-	-	3,016
Insurance recoveries	-	-	-	-	3,963,672	3,963,672
TOTAL OTHER FINANCING SOURCES (USES)	<u>(23,295,617)</u>	<u>29,131,710</u>	<u>(4,907,867)</u>	<u>26,060,200</u>	<u>(23,015,738)</u>	<u>3,972,688</u>
<u>NET CHANGE IN FUND BALANCES</u>	7,629,879	-	-	24,189,349	11,019,176	42,838,404
FUND BALANCES - BEGINNING	82,878,463	-	-	76,331,600	40,257,947	199,468,010
FUND BALANCES - ENDING	<u>\$ 90,508,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,520,949</u>	<u>\$ 51,277,123</u>	<u>\$ 242,306,414</u> (concluded)

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Statement F
Net Change in Fund Balances - Total Governmental Funds	\$	42,838,404
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 7,536,384	
Depreciation expense for year ended June 30, 2023	<u>(48,840,896)</u>	(41,304,512)
Acquisition value of donated capital assets		32,908,373
Change in net position of internal service funds		19,932
Long Term Liabilities:		
Change in compensated absences payable	(388,887)	
Change in other estimated claims and judgments payable	5,965,845	
Change in total OPEB liability and associated deferrals	5,975,216	
Change in net pension liability and associated deferrals	<u>4,796,289</u>	<u>16,348,463</u>
Change in Net Position - Governmental Activities	\$	<u>50,810,660</u>

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

ORLEANS PARISH SCHOOL SYSTEM
NEW ORLEANS, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

Statement G

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS			
	MAJOR FUND ORLEANS SCHOOLS FACILITY FOUNDATION	NON-MAJOR BUSINESS - TYPE ACTIVITIES - TIMBERS	TOTALS	
<u>ASSETS</u>				
Current:				
Cash and cash equivalents	\$ 12,019,622	\$ -	\$ 12,019,622	\$ 1,581,480
Equity in pooled assets	-	-	-	4,324,350
Receivables	217,730	76,118	293,848	(18,560)
Prepaid expenses	-	-	-	-
Interfund receivables	-	-	-	-
Notes receivable	928,501	-	928,501	-
Total current assets	<u>13,165,853</u>	<u>76,118</u>	<u>13,241,971</u>	<u>5,887,270</u>
Noncurrent:				
Notes receivable	57,418,920	-	57,418,920	-
Capital assets				
Land	-	1,440,992	1,440,992	-
Capital assets, net of accumulated depreciation	-	4,454,531	4,454,531	-
Total noncurrent assets	<u>57,418,920</u>	<u>5,895,523</u>	<u>63,314,443</u>	<u>-</u>
TOTAL ASSETS	<u>70,584,773</u>	<u>5,971,641</u>	<u>76,556,414</u>	<u>5,887,270</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts and other payables	-	135,819	135,819	-
Salaries and benefits payable	-	37,549	37,549	-
Interfund payables	2,349,937	2,813,667	5,163,604	3,378,170
Claims payable	-	-	-	973,810
Total current liabilities	<u>2,349,937</u>	<u>2,987,035</u>	<u>5,336,972</u>	<u>4,351,980</u>
Noncurrent liabilities:				
Claims payable	-	-	-	2,000
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
TOTAL LIABILITIES	<u>2,349,937</u>	<u>2,987,035</u>	<u>5,336,972</u>	<u>4,353,980</u>
<u>NET POSITION</u>				
Net investment in capital assets	-	5,895,523	5,895,523	-
Restricted	68,234,836	-	68,234,836	-
Unrestricted (deficit)	-	(2,910,917)	(2,910,917)	1,533,290
	<u>\$ 68,234,836</u>	<u>\$ 2,984,606</u>	<u>\$ 71,219,442</u>	<u>\$ 1,533,290</u>

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Statement H

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS			
	MAJOR FUND ORLEANS SCHOOLS FACILITY FOUNDATION	NON-MAJOR BUSINESS - TYPE ACTIVITIES - TIMBERS	TOTALS	
<u>OPERATING REVENUES</u>				
Reimbursements	\$ -	\$ -	\$ -	\$ 169,291
Rental	-	787,486	787,486	-
Other revenues	-	61	61	11,826
TOTAL OPERATING REVENUES	-	787,547	787,547	181,117
<u>OPERATING EXPENSES</u>				
Salaries and benefits	-	1,113,939	1,113,939	-
Contractual services	-	166,489	166,489	-
Depreciation	-	163,298	163,298	-
Materials and supplies	-	41,687	41,687	-
Repairs and maintenance	41,525,711	91,097	41,616,808	-
Administrative expenses	-	-	-	33,020
Benefit payments\claims expense	-	-	-	128,165
TOTAL OPERATING EXPENSES	41,525,711	1,576,510	43,102,221	161,185
NET OPERATING INCOME (LOSS)	(41,525,711)	(788,963)	(42,314,674)	19,932
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	1,285,017	-	1,285,017	-
Transfers out	-	(6,000)	(6,000)	-
TOTAL NON-OPERATING INCOME (LOSS)	1,285,017	(6,000)	1,279,017	-
Change in net position	(40,240,694)	(794,963)	(41,035,657)	19,932
NET POSITION, BEGINNING	108,475,530	3,779,569	112,255,099	1,513,358
NET POSITION, ENDING	\$ 68,234,836	\$ 2,984,606	\$ 71,219,442	\$ 1,533,290

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Statement I

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS			
	MAJOR FUND ORLEANS SCHOOLS FACILITY FOUNDATION	NON-MAJOR BUSINESS - TYPE ACTIVITIES - TIMBERS	TOTALS	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from interfund charges for premiums	\$ -	\$ 944,561	\$ 944,561	\$ -
Other receipts	469,016	845,546	1,314,562	199,677
Payments for benefits	-	-	-	(330,456)
Payments to employees for salaries and related benefits	-	(787,830)	(787,830)	(20)
Payments to suppliers and service providers	(41,525,711)	(996,277)	(42,521,988)	(80,490)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(41,056,695)	6,000	(41,050,695)	(211,289)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Transfers out	-	(6,000)	(6,000)	-
NET CASH (USED IN) NONCAPITAL FINANCING ACTIVITIES	-	(6,000)	(6,000)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Cash receipts from loans	31,634,449	-	31,634,449	-
Interest income	1,285,017	-	1,285,017	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	32,919,466	-	32,919,466	-
NET CHANGE IN CASH	(8,137,229)	-	(8,137,229)	(211,289)
Cash and cash equivalents at beginning of year	20,156,851	-	20,156,851	6,117,119
Cash and cash equivalents at end of year	\$ 12,019,622	\$ -	\$ 12,019,622	\$ 5,905,830
<u>Reconciliation of operating loss to net cash provided by (used in) operating activities</u>				
Operating (loss) income	\$ (41,525,711)	\$ (788,963)	\$ (42,314,674)	\$ 19,932
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	163,298	163,298	-
Changes in assets and liabilities:				
(Increase) decrease in receivables	469,016	57,999	527,015	18,560
Increase (decrease) in accounts payable	-	(371,872)	(371,872)	(64,655)
Increase (decrease) in compensated absences	-	977	977	(15,835)
Increase (decrease) in interfund payable	-	944,561	944,561	-
Increase (decrease) in claims payable	-	-	-	(169,291)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (41,056,695)	\$ 6,000	\$ (41,050,695)	\$ (211,289)

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

Statement J

	<u>CUSTODIAL FUND</u>
<u>ASSETS</u>	
Equity in pooled assets	\$ 454,236
Investments	<u>438,198</u>
 TOTAL ASSETS	 <u>892,434</u>
 <u>LIABILITIES</u>	
TOTAL LIABILITIES	 <u>-</u>
 <u>NET POSITION (RESTRICTED)</u>	 <u>\$ 892,434</u>

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2023

Statement K

	<u>CUSTODIAL FUND</u>
ADDITIONS:	
Investment income (loss):	
Earnings (loss) on investments	\$ 86,900
Net investment income	<u>86,900</u>
 Total additions	 <u>86,900</u>
 DEDUCTIONS:	
Total deductions	 <u>-</u>
 NET INCREASE IN NET POSITION	 <u>86,900</u>
 NET POSITION - RESTRICTED	
Beginning of year	<u>805,534</u>
 End of year	 <u>\$ 892,434</u>

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

In 2022-2023, the Orleans Parish School Board independently chartered 24 schools and chartered 47 schools to 10 different charter management operators. In addition, 6 schools located in Orleans Parish were chartered by the state Board of Elementary and Secondary Education (BESE) and 1 school was authorized by the Louisiana Legislature. The Orleans Parish School Board also, under the terms of a management agreement with Breakfree Education, provides funding for the operations of Travis Hill Schools. Travis Hill Schools provides educational programming to pre- and post-adjudicated youth and young adults housed inside the Juvenile Justice Intervention Center operated by the City of New Orleans and Orleans Justice Center operated by the Orleans Parish Sheriff's Office. Approximately 45,946 students attended these 78 New Orleans public schools in 2022-2023. The regular school term begins in August and runs through May. The Orleans Parish School Board has approximately 299 employees.

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

The Orleans Parish School Board has one component unit blended with the primary government due to the closeness of their relationship with the primary government. This component unit is the Orleans Schools Facilities Foundation, a non-profit organization reported as an enterprise fund. Separate financial statements for the Orleans Schools Facilities Foundation are not issued.

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. **Fund Accounting**

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

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

Governmental Fund Types:

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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

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

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

ESSER Fund, a special revenue fund established to account for the federal grants received for ESSER by the School Board under the provisions of the three federal acts (CARES, CRRSA, and ARP) through the Louisiana Department of Education to fund costs associated with the COVID-19 pandemic.

School Facilities Preservation Program, a capital projects fund established by revised statute 17:100.11 public schools to be funded, structured, and operated in accordance with the provisions of the Schools Preservation Prevention Act.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. **Fund Accounting** (continued)

Proprietary Fund Types:

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

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

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

Timbers (non-major), an enterprise fund established to account for the rental receipts and operating costs of two buildings.

Internal Service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The Employee Health Insurance and Retiree Health Insurance funds are used to account for the self-insured medical benefits offered to employees and their dependents, and retirees and their dependents, respectively. The Workers' Compensation Insurance fund is used to account for self-insured workers' compensation activity through June 30, 2006, after which the Orleans Parish School Board became fully insured.

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. **Fund Accounting** (continued)

Fiduciary Fund Types:

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

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

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

C. **Basis of Presentation**

The Orleans Parish School Board's basic financial statements consist of the government-wide statements on all of the non-fiduciary fund activities and fund financial statements (individual major and combined nonmajor funds). Separate financial statements are provided for governmental funds and proprietary funds. The statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and promulgated by the GASB *Codification of Accounting and Financial Reporting Standards*.

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

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

Government-Wide Financial Statements

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

D. Measurement Focus and Basis of Accounting (continued)

Government-Wide Financial Statements (continued)

Program Revenues

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

Allocation of Indirect Expenses and Elimination of Internal Activity

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

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

Fund Financial Statements

Governmental Funds

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

Governmental funds are accounted for on the *modified accrual basis of accounting*. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become measurable and available to pay current liabilities. Such revenue items are ad valorem taxes, sales taxes, and state and federal entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales and use taxes are considered measurable when the underlying transaction occurs and are considered "available" when expected to be collected within the next two months. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from state and federal grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

Fund Financial Statements (continued)

Proprietary Funds

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

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

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

Fiduciary Funds

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

E. **Budget and Budgetary Accounting**

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

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

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

Expenditures for special revenue funds' budgets, except for the Child Nutrition Program, may not exceed budgeted amounts by more than five percent unless a budget revision is approved by the Louisiana Department of Education. For the Child Nutrition Program, budget amendments follow the same requirements as the general fund.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

E. **Budget and Budgetary Accounting** (continued)

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

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

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

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

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

F. **Cash and Cash Equivalents**

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

F. Cash and Cash Equivalents (continued)

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

G. Investments

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

H. Inventory and Prepaid Items

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

I. Capital Assets

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

Capital assets are recorded in the government-wide financial statements and are not recorded in the governmental fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the Orleans Parish School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 20 to 40 years for buildings, 25 years for building improvements, 10 to 20 years for other improvements, 3 to 10 years for furniture and equipment, 5 to 8 years for transportation equipment, and 5 to 20 years for all other equipment.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

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

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

J. Interfund Receivables and Payables

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

K. Deferred Inflows and Outflows of Resources

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

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

L. Unearned Revenues

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

M. Long-Term Liabilities

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

N. Compensated Absences

Under Orleans Parish School Board policy, each employee is entitled to ten days of sick leave per year. Sick leave may be accumulated without limit; however, employees or their heirs are only reimbursed for accumulated sick leave up to twenty-five days upon death or retirement at the employee's current rate of pay. The accrual computation for earned sick leave is calculated on a twenty-five-day maximum per employee. Sick leave is not payable upon discharge or termination and no allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire. Upon retirement, accumulated sick leave in excess of reimbursement may be used in the retirement benefit computation as earned service.

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

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

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

O. Pension Plans

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

P. Other Post-Employment Benefit Plan

The Orleans Parish School Board provides certain continuing healthcare and life insurance benefits for its retired employees through a single-employer defined benefit other postemployment benefits plan as described in Note 11. For purposes of measuring the other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to the plan, and plan expense, information about the fiduciary net position of the plan, and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. The postemployment benefits plan had no assets as of June 30, 2023.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

Q. Restricted Net Position

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

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

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

R. Fund Equity of Fund Financial Statements

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

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

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

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

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

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

The Orleans Parish School Board establishes, modifies, or rescinds fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Orleans Parish School Board through adoption or amendment of the budget as intended for the specific purpose.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

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

S. **Interfund Transactions**

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

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

T. **Use of Estimates**

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

U. **Accounting Standard Adopted**

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This standard addresses issues related to public-private and public-public partnership agreements (PPP's) and provides guidance for accounting and financial reporting for availability payments arrangements (APA's). Under this standard governments are required to report assets and liabilities related to PPP's consistently and disclose certain information related to the PPP transactions entered into by the government. The standard is effective for annual reporting periods beginning after June 15, 2022, and the School Board adopted the requirements of this standard, as applicable, in its June 30, 2023, financial statements. The adoption of this standard did not have a material impact on the School Board's financial statements.

GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITA). This standard establishes that a SBITA results in a right-to-use asset, and a corresponding subscription liability, provides the capitalization criteria other than a subscription payment, including implementation costs associated with a SBITA. This standard was established in correlation with GASB 87, capitalize leases and enhances the relevance and reliability of the government's financial statements creating consistency between GASB 87 and GASB 96. The standard is effective for annual reporting periods beginning after June 15, 2022, and the School Board adopted the requirements of this standard, as applicable, in its June 30, 2023, financial statements. The adopted of this standard did not have a material impact on the School Board's financial statements.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

2. AD VALOREM AND SALES TAXES

Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish Assessor. Values are established by the elected Assessor each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities, and personal property. The correctness of assessments by the Assessor is subject to review and certification of the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years; all property subject to taxation was reappraised in 2020. The following is a summary of levied ad valorem taxes for the fiscal year ended June 30, 2023.

	Levied Millage	Expires Dec. 31
Parish-wide taxes:		
Constitutional	27.65	N/A
Dedicated:		
Purpose A School books, materials and supplies	1.55	2028
Purpose B Early childhood, discipline and dropout programs	1.55	2028
Purpose C Employee salaries, benefits and incentives	7.27	2028
Purpose D Air conditioning, asbestos removal and facilities	2.32	2028
Capital repairs	4.97	2024
Total millage	45.31	

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

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

State law requires the City of New Orleans to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent on February 1. If taxes are not paid by the due date, taxes bear interest at the rate of one percent per month until taxes are paid. A list of property on which taxes have not been paid is published in the official journal of the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the Orleans Parish School Board's fiscal year.

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

Sales and Use Tax

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

Sales taxes are assessed and due on the first day of the month subsequent to the month of sale of any retail sales of goods used or consumed within Orleans Parish, including leases and rentals of tangible property. Sales taxes which remain uncollected on the twenty-first day of the month due are classified as delinquent. Sales taxes are collected by the City of New Orleans and the State of Louisiana and are remitted monthly to the Orleans Parish School Board. The Orleans Parish School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees.

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

A. Equity in Pooled Cash

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Cash:				
Included in pooled assets	\$ 36,594,110	\$ -	\$ 454,236	\$ 37,048,346
Other cash	4,413,504	12,019,622	-	16,433,126
Total Cash	<u>41,007,614</u>	<u>12,019,622</u>	<u>454,236</u>	<u>53,481,472</u>
Investments at fair value				
Included in pooled assets	164,351,918	-	-	164,351,918
Other investments	-	-	438,198	438,198
Total Investments	<u>164,351,918</u>	<u>-</u>	<u>438,198</u>	<u>164,790,116</u>
Total	<u>\$ 205,359,532</u>	<u>\$ 12,019,622</u>	<u>\$ 892,434</u>	<u>\$ 218,271,588</u>
 Pooled assets total	 <u>\$ 200,946,028</u>	 <u>\$ -</u>	 <u>\$ 454,236</u>	 <u>\$ 201,400,264</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

B. Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Orleans Parish School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. In addition, the *Investments* policy requires that all securities owned by the Orleans Parish School Board be held by a third-party custodian approved by the investment officer and evidenced by monthly statements and trade confirmations. Securities that may be pledged as collateral consist of obligations of the United States government and its agencies, obligations of the state of Louisiana and its municipalities, and school districts. As of June 30, 2023 none of the Orleans Parish School Board's bank balances were exposed to custodial credit risk.

C. Investments

As of June 30, 2023, the Orleans Parish School Board had the following investments and maturities:

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>No maturity</u>	<u>Less Than 1 Year</u>	<u>Maturing in 1 to 5 Years</u>	<u>Maturing in 6 to 10 Years</u>	<u>Maturing in 6 to 10 Years</u>	<u>Credit Rating*</u>
Governmental Activities							
Investments at fair value							
Money market	\$ 1,389,731	\$ 1,389,731	\$ -	\$ -	\$ -	\$ -	Aaa
U.S. treasury notes	23,160,362	-	7,215,706	15,944,656	-	-	Not required
U.S. agency securities	8,302,417	-	5,846,427	1,982,877	130,204	342,909	Aaa
U.S. corporate bonds	4,719,762	-	785,910	3,933,852	-	-	Aaa - A2, AA - A-, AA-
Municipal bonds	1,799,176	-	1,105,258	693,918	-	-	Aa1 - A1, none, AA+ - A-
Subtotal	<u>39,371,448</u>	<u>1,389,731</u>	<u>14,953,301</u>	<u>22,555,303</u>	<u>130,204</u>	<u>342,909</u>	
Investments measured at the net asset value (NAV)							
Louisiana Asset Management Pool	124,980,470	-	124,980,470	-	-	-	
Total Governmental activities	<u>164,351,918</u>	<u>1,389,731</u>	<u>139,933,771</u>	<u>22,555,303</u>	<u>130,204</u>	<u>342,909</u>	
Total Fiduciary activities - U.S. corporate stocks at fair value							
	<u>355,948</u>	<u>355,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	N/A
Total investments	<u>\$ 164,707,866</u>	<u>\$ 1,745,679</u>	<u>\$ 139,933,771</u>	<u>\$ 22,555,303</u>	<u>\$ 130,204</u>	<u>\$ 342,909</u>	

* Credit ratings obtained from Moody's, S&P Global and/or Fitch Ratings.

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

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

Level 2 Investments with inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. The Orleans Parish School Board's Level 2 investments are valued using quoted prices for identical or similar securities in active markets or matrix pricing based on the securities' relationship to benchmark prices.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

C. **Investments** (continued)

Level 3 Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment. The Orleans Parish School Board has no investments reported as Level 3.

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

Type of Debt Investment	Fair Value	Level 1	Level 2
Investments at fair value			
Money market	\$ 1,307,477	\$ 1,307,477	\$ -
U.S. treasury notes	23,260,362	23,260,362	-
U.S. agency securities	8,302,417	-	8,302,417
U.S. corporate bonds	4,719,762	-	4,719,762
U.S. stocks	438,198	438,198	-
Municipal bonds	1,799,176	-	1,799,176
Subtotal	<u>39,827,392</u>	<u>25,006,037</u>	<u>14,821,355</u>
Investments measured at the net asset value (NAV)			
Louisiana Asset Management Pool	<u>124,980,470</u>		
Total investments	<u>\$ 164,807,862</u>		

Interest Rate Risk: The Orleans Parish School Board's *Investments* policy provides for a maximum maturity of five years and the portfolio's weighted average effective duration shall not exceed three years. At June 30, 2023, the average maturity for investments was 2 years.

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

Concentration of Credit Risk: At June 30, 2023 the amount invested in the local government investment pool exceeded the maximum amount in the Orleans Parish School Board's *Investments* policy by approximately 26% as shown on the following table:

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

C. **Investments** (continued)

<u>Security</u>	<u>Amount</u>	<u>Allocation percentage</u>	<u>Permitted by policy</u>
Money market	\$ 1,389,731	0.84%	25.00%
U.S. treasury notes	23,160,362	14.06%	100.00%
U.S. agency securities	8,302,417	5.04%	25.00%
U.S. corporate bonds	4,719,762	2.87%	50.00%
U.S. stocks	355,948	0.22%	50.00%
Municipal bonds	1,799,176	1.09%	25.00%
Louisiana Asset Management Pool	124,980,470	75.88%	50.00%
	<u>\$ 164,707,866</u>	<u>100.00%</u>	

Local Government Investment Pool: At June 30, 2023 approximately \$125 million is invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio, reported at fair value, includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-RS 33:2955. The following facts are relevant for LAMP:

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

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

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

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity method. The weighted average maturity of LAMP assets is restricted to not more than ninety days and consists of no securities with a maturity in excess of 397 days or 762 days for United States government floating/variable rate investments. The weighted average maturity for LAMP's total investments is 56 days as of June 30, 2023.

Foreign Currency Risk: Not applicable.

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

C. Investments (continued)

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

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

4. RECEIVABLES

Short-term accounts receivable of the primary government as of June 30, 2023, were as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Property Taxes	\$ 1,696,024	\$ -	\$ 1,696,024
Sales Tax	28,496,100	-	28,496,100
State Grants	632,535	-	632,535
Federal Grants	17,371,590	-	17,371,590
Due from Charters Schools	1,236,108	-	1,236,108
Other	636,815	293,848	930,663
Total	<u>\$ 50,069,172</u>	<u>\$ 293,848</u>	<u>\$ 50,363,020</u>

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

5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS

The Orleans Parish School Board and Orleans Schools Facilities Foundation (OSFF) have entered into various tax credit transactions to provide financing for the construction and development of charter schools located in New Orleans. OSFF is a public benefit corporation wholly owned by the Orleans Parish School Board which serves as a leverage lender and is a blended component unit of the Orleans Parish School Board. As of June 30, 2023, loans receivable totaled \$58,347,421 with maturities between 2040 and 2053 and interest rates between 1.43% and 2.61%. The individual loans are as follows:

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS (continued)

<u>School Facility</u>	<u>Month, Year</u>	<u>Original Loan Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Range of Principal Installments</u>	<u>Principal Outstanding at June 30, 2023</u>
Booker T. Washington High	June 2017	\$13,868,212	1.430830%	06/13/2047	\$0 - \$695,621	\$ 13,868,212
Harriet Tubman	December 2017	17,603,367	2.610000%	12/27/2052	\$0 - \$69,447	16,284,597
John McDonogh	December 2017	30,009,029	2.610000%	12/27/2052	\$0 - \$122,896	28,194,612
		<u>\$61,480,608</u>				<u>\$ 58,347,421</u>

The loans are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$ 987,010	\$ 1,477,055	\$ 2,464,065
2025	1,299,726	1,452,152	2,751,878
2026	1,330,139	1,421,739	2,751,878
2027	1,361,334	1,390,543	2,751,877
2028	1,393,334	1,358,544	2,751,878
2029-2033	8,790,283	6,200,741	14,991,024
2034-2038	10,085,854	5,042,018	15,127,872
2039-2043	11,409,463	3,867,428	15,276,891
2044-2048	11,940,413	2,207,143	14,147,556
2049-2053	9,749,865	661,732	10,411,597
	<u>\$ 58,347,421</u>	<u>\$ 25,079,095</u>	<u>\$ 83,426,516</u>

The following is a summary of the individual tax credit transactions, and related loans receivable, as of June 30, 2023.

Avery Alexander School

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS (continued)

Avery Alexander School (continued)

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

The Leveraged Loan by OSFF to COCRF Investor 41, LLC closed in the form of a note accruing interest at 1.43% and maturing on June 10, 2040. Interest only payments are made quarterly for the first seven years of the note, with principal and interest payments due quarterly thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2023 totaled \$88,523. The Leveraged Loan is collateralized by a first lien security interest in subsidiary community development entities (Sub-CDEs) whose assets consist of leasehold mortgage loans (QALICIs) to Alexander QALICB financed by COCRF Investor 41, LLC with proceeds of NMTC equity and the Leveraged Loan.

On July 28, 2022, the parties to the NMTC financing unwound the leveraged financing structure. Pursuant to the unwind documents, OSFF purchased the Investor Membership interest in COCRF Investor 41, LLC for \$1,000. Following the simultaneous cancellation of the QALICIs and the leveraged loan and the cancellation of all leases, Alexander School was returned to OPSB.

Sophie B. Wright High School

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

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, either by loan or grant, as necessary, to finance the purchase of the building improvements, costs for historic rehabilitation and renovation of the Sophie B. Wright High School, and fees and expenses in connection with the project. Pursuant to this requirement, the Orleans Parish School Board advanced \$28,952,908 to OSFF (Leveraged Loan) which was loaned by OSFF to SBW School Facility, LLC. In addition, under the charter lease subsidy agreement entered into as of April 28, 2016, OSFF is to provide a subsidy to the charter school operator, Institute for Academic Excellence, to enable the operator to fulfill its lease payment obligation to SBW School Facility, LLC. For the year ended June 30, 2023, no payments were made as a subsidy.

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5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS (continued)

Sophie B. Wright High School (continued)

The Leveraged Loan closed in the form of a note accruing interest at 2.23% and maturing on April 27, 2046. Interest only payments were paid monthly through May 5, 2016, with principal and interest payments due monthly for thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2023, totaled \$538,713. The Leveraged Loan is collateralized by a first lien security interest in SBW School Facility, LLC whose assets consist of leasehold mortgage loans with proceeds from federal and state historic tax credit equity and the Leveraged Loan.

On July 28, 2022, the parties of FHTC unwound the financing structure. Pursuant to the unwind documents, OSFF purchased the property from the Industrial Development Board of the City of New Orleans for \$1,000. Following the simultaneous cancellation of all lease agreements, loan documents, the leveraged loan, and the execution of the property donation agreement, Sophie B. Wright High School was returned to the OPSB.

Booker T. Washington High School

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

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

In addition, under the charter lease subsidy agreement entered into as of June 13, 2017, OSFF is to provide a subsidy to the charter school operator, KIPP New Orleans, Inc., to enable the operator to fulfill its lease payment obligation. For the year ended June 30, 2023, a total of \$58,716 was paid as a subsidy.

The Leveraged Loan by OSFF to COCRF Investor 82, LLC closed in the form of a note accruing interest at 1.43% and maturing on June 13, 2047. Interest only payments are due annually on December 10 for the first seven years of the note, with principal and interest payments due annually thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2023, totaled \$198,430. The Leveraged Loan is collateralized by a first lien security interest in all of COCRF Investor 82, LLC's rights, title, and interest in its 100% membership interest in subsidiary community development entities (Sub-CDEs) whose assets consist of leasehold mortgage loans (QALICIs) to Washington QALICB financed by COCRF Investor 82, LLC, with proceeds of NMTC equity and the Leveraged Loan.

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JUNE 30, 2023

5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS (continued)

Harriet Tubman School

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

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, either by loan or grant, as necessary, to finance all or a portion of the purchase price and the costs of construction. Pursuant to this requirement, the Orleans Parish School Board advanced \$17,603,367 to OSFF (Leveraged Loan) which was loaned by OSFF to Tubman School Facilities, LLC. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the Tubman School Facilities, LLC to enable them to fulfill its lease payment obligation. For the year ended June 30, 2023, a total of \$503,054 was paid as a subsidy.

The Leveraged Loan closed in the form of a note accruing interest at 2.61% and maturing on December 27, 2052. Interest only payments were paid monthly from May 1, 2018, through July 1, 2018, with principal and interest payments due monthly thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2023, totaled \$484,352. The Leveraged Loan is collateralized by a first lien security interest in Tubman School Facilities, LLC, whose assets consist of leasehold mortgage loans with proceeds from federal and state historic tax credit equity and the Leveraged Loan.

John McDonogh School

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

The CEA required the Orleans Parish School Board to provide sufficient funds to OSFF, either by loan or grant, as necessary, to fund the construction and development of the John McDonogh School Facility. Pursuant to this requirement, the Orleans Parish School Board advanced \$30,009,029 to OSFF (Leveraged Loan), which was loaned by OSFF to John MC School Facility, LLC. In addition, under the charter lease subsidy agreement, OSFF is to provide a subsidy to the owner to enable them to fulfill its lease payment obligation. For the year ended June 30, 2023, a total of \$769,998 was paid as a subsidy.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

5. LOANS RECEIVABLE AND TAX CREDIT TRANSACTIONS (continued)

John McDonogh School (continued)

The Leveraged Loan by OSFF to John MC School Facility, LLC closed in the form of a note accruing interest at 2.61% and maturing on December 27, 2052. Interest only payments were paid monthly from May 1, 2018, through August 1, 2018, with principal and interest payments due monthly thereafter. At maturity, outstanding principal, accrued interest, and any and all unpaid fees and other charges are due. Interest earned for the year ended June 30, 2023, totaled \$834,561. The Leveraged Loan is collateralized by a first lien security interest in John MC School Facility, LLC, whose assets consist of leasehold mortgage loans with proceeds from federal and state historic tax credit equity and the Leveraged Loan.

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, are as follows:

<u>Governmental Activities</u>	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Non-Depreciable Capital Assets:					
Land	\$ 39,837,373	\$ -	\$ -	\$ -	\$ 39,837,373
Construction in Progress	136,542,007	41,480,474	-	(28,322,217)	149,700,264
Total Nondepreciable Capital Assets	176,379,380	41,480,474	-	(28,322,217)	189,537,637
Depreciable Capital Assets:					
Buildings & Improvements	1,681,282,550	-	-	27,286,500	1,708,569,050
Machinery & Equipment	13,450,475	-	-	-	13,450,475
Total Depreciable Capital Assets	1,694,733,025	-	-	27,286,500	1,722,019,525
Totals at Cost	1,871,112,405	41,480,474	-	(1,035,717)	1,911,557,162
Less Accumulated Depreciation:					
Buildings & Improvements	332,453,542	48,901,325	-	-	381,354,867
Machinery & Equipment	13,510,904	-	-	(60,429)	13,450,475
Total Accumulated Depreciation	345,964,446	48,901,325	-	(60,429)	394,805,342
Depreciable Capital Assets, Net	1,348,768,579	(48,901,325)	-	27,346,929	1,327,214,183
Capital Assets, Net	\$ 1,525,147,959	\$ (7,420,851)	\$ -	\$ (975,288)	\$ 1,516,751,820
<u>Business-type Activities</u>	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Non-Depreciable Capital Assets:					
Land	\$ 1,440,992	\$ -	\$ -	\$ -	\$ 1,440,992
Total Nondepreciable Capital Assets	1,440,992	-	-	-	1,440,992
Depreciable Capital Assets:					
Buildings & Improvements	6,377,352	-	-	-	6,377,352
Total Depreciable Capital Assets	6,377,352	-	-	-	6,377,352
Totals at Cost	7,818,344	-	-	-	7,818,344
Less Accumulated Depreciation:					
Buildings & Improvements	1,759,523	163,298	-	-	1,922,821
Total Accumulated Depreciation	1,759,523	163,298	-	-	1,922,821
Depreciable Capital Assets, Net	4,617,829	(163,298)	-	-	4,454,531
Capital Assets, Net	\$ 6,058,821	\$ (163,298)	\$ -	\$ -	\$ 5,895,523

Depreciation expense of \$48,901,325 for the year ended June 30, 2023, was charged to the Appropriations of Charter Schools – Type III.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

7. SHORT-TERM BORROWINGS

In the fiscal year beginning July 1, 2022, the Orleans Parish School Board entered into the following short-term borrowing transaction:

	<u>\$75 Million</u> <u>Maximum</u>	<u>Total</u>
Amount borrowed	\$ 75,000,000	<u>\$ 75,000,000</u>
Date Issued	10/4/2022	
Original Maturity Date	6/29/2023	
Date Repaid	6/21/2023	
	<u>Fixed Rate Per</u>	
Interest Rate	Annum (2.57%) *	
Interest Amount	\$ 1,418,854	\$ 1,418,854
Closing Costs	\$ 68,000	<u>68,000</u>
		<u>\$ 1,486,854</u>

The Orleans Parish School Board typically issues Revenue Anticipation Notes in the fall to provide stabilized cash flows to charter schools before receiving most of their ad valorem revenues in February or March (property taxes are due to the tax collector on January 31). Interest expense of \$1,418,854 related to this note is included in Business services expense on the Statement of Activities.

Changes in short-term borrowings during the fiscal year that ended June 30, 2023 are as follows:

Beginning balance, July 1, 2022	\$ -	
Increases	75,000,000	
Decreases	<u>(75,000,000)</u>	
Ending balance, June 30, 2023	<u>\$ -</u>	

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

8. GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2023, all of which are associated with governmental activities:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
<u>Governmental activities:</u>					
Accrued compensated absences	\$ 950,531	\$ 1,080,322	\$ 691,435	\$ 1,339,418	\$ 427,568
Claims and judgments	39,507,324	-	6,135,136	33,372,188	973,810
Total Long-Term Debt	\$ 40,457,855	\$ 1,080,322	\$ 6,826,571	\$ 34,711,606	\$ 1,401,378
<u>Business-type activities:</u>					
Accrued compensated absences	\$ 36,572	\$ 20,288	\$ 19,311	\$ 37,549	\$ 37,549
	\$ 36,572	\$ 20,288	\$ 19,311	\$ 37,549	\$ 37,549

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

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

Legal claims payable consists of 157 unpaid but settled claims totaling \$30,817,309 which includes \$7,192,952 of accrued interest, and 30 active matters with an estimated liability of \$1,579,069. Management and legal counsel for the Orleans Parish School Board believe that the potential claims against the Orleans Parish School Board not covered by insurance are covered by the recorded liability.

Long-term liabilities are liquidated from the following funds:

<u>Long-term Obligation</u>	<u>Liquidating Fund</u>
Compensated absences	General fund
Other claims and judgments	General fund

In accordance with Louisiana Revised Statute 39:562 the Orleans Parish School Board is legally restricted from incurring long-term bonded debt secured by property taxes in excess of 35% of the assessed value of taxable property. The statutory limit and the remaining debt margin are \$1,668,755,792. In addition, the Orleans Parish School Board is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails as prescribed by Louisiana Revised Statute 47:338.48 through 338.78.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

9. RISK MANAGEMENT

The Orleans Parish School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees' health; and natural disasters. During the year ended June 30, 2023, the Orleans Parish School Board purchased commercial insurance to cover its risk of loss and workers' compensation claims arising from employment-related injuries prior to July 1, 2006. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the Orleans Parish School Board's insurance coverage for each of the past three years.

Employee and Retiree Health Insurance

Prior to September 1, 2020, the Orleans Parish School Board maintained a self-insured health insurance plan for employees and retirees, accounted for in the internal service funds, which included the purchase of insurance for health claims in excess of \$200,000 per occurrence. As of June 30, 2023, there is approximately \$2,000 of incurred but not reported retiree health related claims.

Workers' Compensation Insurance

Prior to July 1, 2006, the Orleans Parish School Board maintained a self-insured workers' compensation plan, accounted for in an internal service fund, which included the purchase of insurance for claims from employment related injuries prior to July 1, 2006, in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. On June 30, 2023, there were 15 active claims.

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

A reconciliation of unpaid claims liability, including the litigated claims reserve, as of June 30, 2023, is as follows:

	<u>Retiree Health</u>	<u>Workers'</u>	<u>Litigated</u>	<u>Total</u>
	<u>Insurance Fund</u>	<u>Compensation</u>	<u>Claims</u>	
		<u>Fund</u>		
Unpaid claims as previously reported June 30, 2022	\$ 2,000	\$ 1,143,101	\$ 38,362,223	\$ 39,507,324
Current year claims incurred and changes in estimates	-	-	(5,548,339)	(5,548,339)
Claims paid	-	(169,291)	(417,506)	(586,797)
Unpaid claims as of June 30, 2023	<u>\$ 2,000</u>	<u>\$ 973,810</u>	<u>\$ 32,396,378</u>	<u>\$ 33,372,188</u>

The above unpaid claims as of June 30, 2023, include amounts for claims incurred but not yet reported, as determined from actual claims paid subsequent to year end as well as an estimate based upon historical lag trends.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

10. DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

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

Louisiana School Employees' Retirement System (LSERS)

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

Louisiana State Employees' Retirement System (LASERS)

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
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JUNE 30, 2023

10. DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

² With actuarial reduced benefits

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

⁴ Benefit percent varies depending on when hired

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

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

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

Cost of Living Adjustments

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

10. DEFINED BENEFIT PENSION PLANS (continued)

Contributions

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

Contributions to the plans are required and determined by state statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2023 for the Orleans Parish School Board and covered employees were as follows:

Contributions (continued)

	<u>School System</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	25.20%	8.00%
School Employees' Retirement System	28.70%	7.50% - 8.00%
State Employees' Retirement System	40.20%	7.50% - 8.00%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Teachers' Retirement System:			
Regular Plan	\$ 4,133,334	\$ 3,684,738	\$ 4,729,010
School Employees' Retirement System	39,773	38,966	38,447
State Employees' Retirement System	43,913	128,867	218,516

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
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JUNE 30, 2023

10. DEFINED BENEFIT PENSION PLANS (continued)

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

The following schedule lists the Orleans Parish School Board's proportionate share of the net pension liability allocated by each of the pension plans based on the June 30, 2022, measurement date. The Orleans Parish School Board uses this measurement to record its net pension liability and associated amounts as of June 30, 2023, in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*. The schedule also includes the proportionate share allocation rate used at June 30, 2022 along with the change compared to the June 30, 2021 rate. The Orleans Parish School Board's proportion of the net pension liability was based on a projection of the Orleans Parish School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at June 30, 2023(measured as of June 30, 2022)</u>	<u>Rate at June 30, 2022</u>	<u>Increase (Decrease) to June 30, 2021 Rate</u>
Teachers' Retirement System	\$ 27,808,734	0.29127%	0.34010%
School Employees' Retirement System	309,570	0.04655%	0.04841%
State Employees' Retirement System	<u>1,025,479</u>	0.01357%	0.02623%
	<u>\$ 29,143,783</u>		

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

The following schedule lists each pension plan's proportionate share of recognized pension expense for the Orleans Parish School Board for the year ended June 30, 2023:

	<u>Total expenses</u>
Teachers' Retirement System	\$ (560,677)
School Employees' Retirement System	119,977
State Employees' Retirement System	<u>(138,577)</u>
	<u>\$ (579,277)</u>

ORLEANS PARISH SCHOOL BOARD
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10. DEFINED BENEFIT PENSION PLANS (continued)

On June 30, 2023, the Orleans Parish School Board reported deferred outflows of resources and deferred inflows of resources related to each pension plan from the following sources:

<u>Deferred Outflows:</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 431,026	\$ 7,330	\$ 2,797	\$ 441,153
Changes of assumptions	1,875,685	11,167	18,645	1,905,497
Net difference between projected and actual earnings on pension plan investments	1,578,111	-	82,599	1,660,710
Changes in proportion	2,058,679	-	-	2,058,679
Differences between contributions and proportionate share of contributions	-	88,620	-	88,620
Difference in contributions	296,760	-	6,388	303,148
Employer contributions subsequent to the measurement date	4,133,334	39,773	43,913	4,217,020
Total	<u>\$ 10,373,595</u>	<u>\$ 146,890</u>	<u>\$ 154,342</u>	<u>\$ 10,674,827</u>

<u>Deferred Inflows:</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ (80,198)	\$ -	\$ -	\$ (80,198)
Changes of assumptions	-	(7,974)	-	(7,974)
Net difference between projected and actual earnings on pension plan investments	-	(7,879)	-	(7,879)
Changes in proportion	(9,781,012)	-	(420,972)	(10,201,984)
Difference in contributions	(107,843)	(4,434)	-	(112,277)
Total	<u>\$ (9,969,053)</u>	<u>\$ (20,287)</u>	<u>\$ (420,972)</u>	<u>\$ (10,410,312)</u>

The Orleans Parish School Board reported a total of \$4,217,020 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022, which will be recognized as a reduction in net pension liability in the year ended June 30, 2024.

ORLEANS PARISH SCHOOL BOARD
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10. DEFINED BENEFIT PENSION PLANS (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	TRSL	LSERS	LASERS	Total
2024	\$ (3,551,074)	\$ 93,365	\$ (363,348)	\$ (3,821,057)
2025	(1,580,660)	(4,047)	17,067	(1,567,640)
2026	(496,041)	(17,899)	(20,887)	(534,827)
2027	1,898,983	15,411	56,625	1,971,019
	<u>\$ (3,728,792)</u>	<u>\$ 86,830</u>	<u>\$ (310,543)</u>	<u>\$ (3,952,505)</u>

Actuarial Assumptions

The following schedule summarizes the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2023:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>																		
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022																		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal																		
Actuarial Assumptions:																					
Expected Remaining																					
Service Lives	5 years	3 years	2 years																		
Investment Rate of Return	7.25% net of investment expenses (decreased from 7.40% in 2021)	6.80% per annum (decreased from 6.90% in 2021)	7.25% net of investment expenses (decreased from 7.40% in 2021)																		
Inflation Rate	2.3% per annum	2.50% per annum	2.30% per annum																		
Mortality	Active Members - RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members - RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality - RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females.	Mortality rates based on the RP-2014 Health Annuitant Tables, RP-2014 Sex Distinct Employee Table, RP-2014 Sex Distinct Mortality Table.	Non-disabled members - Mortality rates based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012-June 30, 2017) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.																		
Salary Increases	3.1% - 4.6% varies depending on duration of service	Salary increases were projected based on the 2013-2017 experience study 3.25%	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Member Type</th> <th style="text-align: center;">Lower Range</th> <th style="text-align: center;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table>	Member Type	Lower Range	Upper Range	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
Member Type	Lower Range	Upper Range																			
Regular	3.0%	12.8%																			
Judges	2.6%	5.1%																			
Corrections	3.6%	13.8%																			
Hazardous Duty	3.6%	13.8%																			
Wildlife	3.6%	13.8%																			
Cost of Living Adjustments	None	Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outline by ACT 399 of 2014.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

ORLEANS PARISH SCHOOL BOARD
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10. DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions (continued)

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

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.32% for 2022.	The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the longterm expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.	The long-term expected rate of return on pension plan investments was determined using a buildingblock method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.34% for 2022.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the retirement systems' target asset allocations as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>			<u>Long-Term Expected Real Rate of Return</u>		
	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Cash	-	-	-	-	-	0.39%
Domestic equity	27.00%	-	31.00%	4.15%	-	4.57%
International equity	19.00%	-	23.00%	5.16%	-	5.76%
Equity	-	39.00%	-	-	2.67%	-
Domestic fixed income	13.00%	-	3.00%	0.85%	-	1.48%
International fixed income	5.50%	-	17.00%	-0.10%	-	5.04%
Fixed income	-	26.00%	-	-	0.73%	-
Risk Parity	-	-	-	-	-	-
Alternatives	-	23.00%	26.00%	-	1.85%	8.30%
Alternative - private equity	25.50%	-	-	8.15%	-	-
Alternative - other equity	10.00%	-	-	3.72%	-	-
Real estate	-	12.00%	-	-	0.62%	-
Real assets	-	-	-	-	-	-
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>			

ORLEANS PARISH SCHOOL BOARD
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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10. DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS and LASERS was 7.25%, 6.80% and 7.25%, respectively for the year ended June 30, 2022. The discount rates for TRSL, LSERS and LASERS decreased by 0.15%, 0.10%, and 0.15% since the prior measurement date, respectively.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.250%	7.250%	8.250%
Share of NPL	\$ 38,190,945	\$ 27,808,734	\$ 18,381,421
LSERS			
Rates	5.800%	6.800%	7.800%
Share of NPL	\$ 432,909	\$ 309,570	\$ 204,138
LASERS			
Rates	6.250%	7.250%	8.250%
Share of NPL	\$ 1,290,352	\$ 1,025,479	\$ 783,953

The Orleans Parish School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2023, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts payable and payroll deductions and withholdings payable. The balance due to each of the retirement systems on June 30, 2023, is as follows:

	<u>June 30, 2023</u>
TRSL	\$ 860,469
LSERS	8,405
LASERS	25,958
	<u>\$ 894,832</u>

ORLEANS PARISH SCHOOL BOARD
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11. OTHER POSTEMPLOYMENT BENEFITS

General Information About the Other Postemployment Benefits Plan

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

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

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

<u>Employee Hire Date</u>	<u>Age and Years of Service</u>	<u>Years of Service at Any Age</u>
Before July 1, 1999	Age 60 with 5 years of service, or	20 years of service at any age
On or after July 1, 1999 and before July 1, 2011	Age 60 with 5 years of service; or Age 55 with 25 years of service; or	30 years of service at any age, or 20 years of service *
On or after July 1, 2011 and before July 1, 2015	Age 60 with 5 years of service, or	20 years of service at any age *
On or after July 1, 2015	Age 62 with 5 years of service, or	20 years of service at any age *

* actuarially reduced benefit

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11. OTHER POSTEMPLOYMENT BENEFITS (continued)

General Information About the Other Postemployment Benefits Plan (continued)

Contribution Rates for Eligible Retirees. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The full monthly retiree rates and employer contributions as of September 1, 2022, the start of the plan year, are as follows:

Rate Tier	PPO \$750	PPO \$2,000	HDHP
Retiree Only	\$1,035.93	\$772.48	\$674.95
Retiree + Spouse	\$2,071.86	\$1,544.96	\$1,349.89
Retiree + Child(ren)	\$1,916.48	\$1,429.09	\$1,248.65
Retiree + Family	\$2,952.41	\$2,201.57	\$1,923.60

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

For Medicare-eligible retirees in the fully insured Medicare Advantage plan, the Orleans Parish School Board pays 100% of the premium cost. Monthly employer cost per retiree for the period of July 1 through December 31, 2021, is \$40.23, and from January 1 through June 30, 2022, is \$43.25. In the fiscal year ended June 30, 2023, the Orleans Parish School Board paid a total of \$8,969 for other postemployment benefits as they came due for Medicare-eligible retirees.

Employees Covered by Benefit Terms. At June 30, 2023, 364 active and retired employees were covered by the benefit terms:

Inactive employees currently receiving benefits	78
Inactive employees entitled to but not currently receiving benefits	35
Active employees	<u>251</u>
Total	<u><u>364</u></u>

Total Other Postemployment Benefits Liability

The Orleans Parish School Board's total other postemployment benefits liability of \$291,298 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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11. OTHER POSTEMPLOYMENT BENEFITS (continued)

Total Other Postemployment Benefits Liability (continued)

Actuarial Assumptions and Other Inputs. The total other postemployment benefits liability as of June 30, 2023, using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified:

Actuarial cost method	Entry age normal
Valuation date	June 30, 2023
Measurement date	June 30, 2023
Inflation	2.30%
Salary increases	3.0% per annum
Discount rate	3.65%, changed from 3.54% for 2022
Discount rate index	Bond Buyer 20-Year General Obligation Index
Mortality rates	Pub-2010 generational table scaled using MP-2019
Healthcare cost trend rates	The Current Trend rate includes the following: Pre-Medicare Medical and Rx Benefits 6.75% and 4.00% Ultimate Post-Medicare 5.75% and 4.00% Ultimate Stop Loss Fees 7.00% Select and 4.00% Ultimate Administrative fees 4.00% Select and 4.00% Ultimate Select trend rates are reduced 0.25% each year until reaching the ultimate trend rate
Experience study and claims costs	Expected retiree claim costs were developed using 24 months of historical claim experience through August 2020.
Participation	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 25% of all pre-65 employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan, with 70% remaining on the plan post-65. This assumes that a one-time irrevocable election to participate is made at retirement.
Marriage	The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided.

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11. OTHER POSTEMPLOYMENT BENEFITS (continued)

Total Other Postemployment Benefits Liability (continued)

Changes in Total Other Postemployment Benefits Liability

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 6,365,132
Changes for the year:	
Service cost	32,877
Interest	221,364
Changes in benefit terms	(6,036,072)
Changes in assumptions	(2,437)
Benefit payments	<u>(289,566)</u>
Net changes	<u>(6,073,834)</u>
Balance at June 30, 2023	<u>\$ 291,298</u>

The amount due within one year for the total other postemployment benefits liability is estimated to be \$291,298 and is based on the annual benefit payments.

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

	1.0% Decrease (2.65%)	Current Discount (3.65%)	1.0% Increase (4.65%)
Total OPEB liability	<u>\$ 266,298</u>	<u>\$ 291,298</u>	<u>\$ 319,298</u>

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

	1.0% Decrease	Current Trend (See actuarial assumptions)	1.0% Increase
Total OPEB liability	<u>\$ 316,298</u>	<u>\$ 291,298</u>	<u>\$ 269,298</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

11. OTHER POSTEMPLOYMENT BENEFITS (continued)

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

For the year ended June 30, 2023, the Orleans Parish School Board recognized other postemployment benefits expense of \$5,685,650 and reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 1,353,883	\$ (556,173)
Changes in assumptions	630,797	(625,745)
Total	\$ 1,984,680	\$ (1,181,918)

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

<u>Year ending</u>	
<u>June 30:</u>	
2024	\$ 96,184
2025	96,184
2026	96,184
2027	97,172
2028	112,312
2029 - 2033	304,726
	\$ 802,762

ORLEANS PARISH SCHOOL BOARD
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12. INTERFUND RECEIVABLES AND PAYABLES

The Orleans Parish School Board pools its internal cash and investments in order to maximize investment opportunities and reports the combined amount as a single line item, Equity in Pooled Cash, across all funds. Pooled cash and investments function as both Due to and from Other Funds and as a line of credit for individual funds, which are permitted to overdraw their equity in the pool; overdrawn amounts are listed as a liability. Pooled cash and investments in each fund as of June 30, 2023, are shown in the following table:

	<u>Receivable</u>	
	<u>Fund</u>	<u>Payable Fund</u>
Governmental activities:		
General Fund	\$ 62,355,798	34,361,891
Pass-through Fund	11,733,719	11,733,719
ESSER	-	7,446,855
Nonmajor Governmental	2,993,723	14,999,001
Business-type activities:		
Enterprise Funds	-	5,163,604
Internal Service Funds	-	3,378,170
Total	<u>\$ 77,083,240</u>	<u>\$ 77,083,240</u>

13. INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2023, were as follows:

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

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental activities:		
General Fund	\$ 5,833,077	29,131,710
Pass-through Fund	29,131,710	-
ESSER	-	4,907,867
Nonmajor Governmental	54,728,600	55,647,810
Business-type activities:		
Enterprise Funds	-	6,000
Total	<u>\$ 89,693,387</u>	<u>\$ 89,693,387</u>

ORLEANS PARISH SCHOOL BOARD
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NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

14. LITIGATION AND CONTINGENCIES

Claims

The Orleans Parish School Board is a defendant in several workers' compensation, personal injury, personnel action, and contractual lawsuits. Provisions for losses for these lawsuits are recorded in the financial statements as long-term obligations. Management and legal counsel for the Orleans Parish School Board believe that the potential claims against the Orleans Parish School Board not covered by insurance are covered by the recorded liability, which totaled \$33,372,000 at June 30, 2023.

Federal and State Grants

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

Federal Emergency Management Agency (FEMA)

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

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

The majority of the FEMA funding awarded to the Orleans Parish School Board and the Recovery School District has been structured into Alternative Projects under FEMA's Public Assistance program, which allows applicants to designate alternative ways to utilize FEMA funding to support the best interests of the community. This alternate funding vehicle provided maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish. The Orleans Parish School Board has been issued 998 project worksheets which authorized or obligated \$373.7 million. As of June 30, 2023, the Orleans Parish School Board has received reimbursements of \$362.5 million. The Orleans Parish School Board plans on using the majority of the remaining authorized monies to fund Phase Three of the Master Plan.

Construction Contracts

On June 30, 2023, the Orleans Parish School Board had ongoing construction projects for major school renovations at year end. The Orleans Parish School Board has purchase orders and commitments of \$37.3 million related to these projects. These commitments will be paid out of the various capital projects funds.

15. LEASES - LESSOR

The Orleans Parish School Board owns two buildings, located at 2401 Westbend Parkway and 2405 Jackson Avenue in New Orleans, portions of which are leased to tenants and the portion it occupies it charges itself internally; this rental activity is accounted for in the Timbers enterprise fund. For the year ended June 30, 2023, lease revenues totaled \$787,486. Additional charges and increases to base rent are determined at the end of the calendar year when the costs (real estate taxes and operating costs) of the School Board exceed rent charged. All current leases are on a one-year term with no renewal or termination options available. Leases are renegotiated each year.

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16. TAX REVENUES ABATED

State Industrial Ad Valorem Tax Exemption Program

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

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

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

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

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

For the fiscal year ended June 30, 2023, the Orleans Parish School Board had no ad valorem tax revenues abated by the State of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

City of New Orleans Restoration Tax Abatement Program

The City of New Orleans maintains a Restoration Tax Abatement program that provides commercial property owners who expand, restore, improve, or develop an existing structure in a downtown development district, economic development district, or historic district the right to pay ad valorem taxes based on the assessed valuation of the property for the prior year to the commencement of the project for five years after completion of the work.

For the fiscal year ended June 30, 2023, \$109,122 in Orleans Parish School Board ad valorem tax revenues were abated by the New Orleans City Council through the Restoration Tax Abatement program on 2 active contracts.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
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17. HURRICANE IDA

On August 29, 2021, the Orleans Parish School Board and its facilities were impacted by Hurricane Ida. In August 2021, the Board appropriated an amount not to exceed \$15 million to procure a contractor to make these repairs. The Board originally approved Guarantee Restoration on June 10, 2021, RFP No. 21-0028 for Disaster Recovery Services. The first amendment was Board approved on September 23, 2021, to increase the contract from \$500,000 to \$15,000,000. The effective lease agreements with the charter operators establishes that they are responsible for the deductible for each school they operate, and the School Board is only responsible for vacant properties and its main offices which limits its financial exposure. During the 2023 fiscal year IDA repair projects were completed at six (6) affected campuses and in design or in progress at fifteen campuses. SFPP allowed for charter operators to utilize the Revolving Loan Fund (RLF) to fund the amount of the deductible in the event the School Facility Account (SFA) does not have adequate funding. The risk management program reassessed all properties in February 2023 in order to best obtain property insurance premiums that are attainable, affordable and aligned with the building values and needs.

18. SCHOOL PRESERVATION FACILITIES PROGRAM FUND

Revised Statute 17:100.11 requires OPSB to establish a School Facility Preservation Program (SFPP) for public schools to be funded, structured, and operated in accordance with the provisions of the School Facilities Preservation Act. The OPSB established and approved a policy that funds the preservation of all public-school facilities in Orleans Parish, governs the implementation of the SFPP, and governs the establishment of facility repairs and replacement accounts (School Facility Accounts) in which local ad valorem and sales tax revenues designated by state law are deposited to fund the SFPP. School Facility Accounts are to only be used for emergency repairs or planned capital repairs and replacements on the campus for which the School Facility Account was established. The SFPP allows the OPSB to make loans to charter school operators from a Revolving Loan Fund to make emergency repairs or planned capital repairs when the School Facility Account is below seventy-five thousand dollars.

During the year ended June 30, 2023, the OPSB approved and entered into three separate revolving loan agreements with two charter school operators for a total amount up to \$14,361,072 for a portion of emergency and/or planned capital campus repairs. The loans bear no interest. Funds are distributed directly to approved contractors by OPSB. An administrative fee of twenty percent of the project budget is being withheld and OPSB retains 10% for its administration of the project. The charter school operator agrees that the loaned funds will be repaid from facility funds that would otherwise be deposited or credited to the School Facility Account for the respective campuses and is the collateral for the loan, as such the timing of repayment of the loan is unknown. Any failure to perform or observe any covenants of the loan, any material misrepresentation of facts, filings by or against the charter school operator or any proceeding under federal bankruptcy laws which is not dismissed within sixty days after the filing, the entry of an order for relief under such laws, or the appointment of a receiver, trustee, or custodian of all or part of the assets of the charter school operator is deemed events of default. For the year ended June 30, 2023, there were no expenditures paid to any contractors under these agreements, as such, no amounts have been recorded as loan receivable under the SFPP program.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

19. SUBSEQUENT EVENTS

On October 20, 2023, the Orleans Parish School Board approved the issuance of Revenue Anticipation Notes not to exceed \$75,000,000 which are necessary to provide stabilized cash flows to charter schools and will be repaid from ad valorem tax proceeds.

The School Board approved an approximately \$4.7 million distribution of capital project funding in August 2023 to various charters.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER
POST-EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2023

Financial statement reporting date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	\$ 32,877	\$ 36,798	\$ 36,038	\$ 31,740	\$ 27,833	\$ 26,796
Interest	221,364	119,196	128,377	212,890	234,061	246,463
Changes of benefit terms	(6,036,072)	-	-	-	-	-
Difference between actual and expected experience	-	1,681,770	-	(845,093)	-	-
Change in assumptions	(2,437)	(689,545)	27,591	768,976	209,614	(172,352)
Benefit payments	(289,566)	(529,284)	(437,338)	(455,628)	(426,237)	(418,798)
Net change in total OPEB liability	<u>(6,073,834)</u>	<u>618,935</u>	<u>(245,332)</u>	<u>(287,115)</u>	<u>45,271</u>	<u>(317,891)</u>
Total OPEB liability - beginning	<u>6,365,132</u>	<u>5,746,197</u>	<u>5,991,529</u>	<u>6,278,644</u>	<u>6,233,373</u>	<u>6,551,264</u>
Total OPEB liability - ending	<u>\$ 291,298</u>	<u>\$ 6,365,132</u>	<u>\$ 5,746,197</u>	<u>\$ 5,991,529</u>	<u>\$ 6,278,644</u>	<u>\$ 6,233,373</u>
Covered employee payroll	\$ 16,242,000	\$ 15,769,262	\$ 16,594,000	\$ 16,110,326	\$ 21,296,000	\$ 20,576,287
Total OPEB liability as a percentage of covered payroll	1.79%	40.36%	34.63%	37.19%	29.48%	30.29%

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

SCHEDULE OF THE SCHOOL BOARD'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY FOR THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2023 (*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System of Louisiana						
	2023	0.2913%	\$ 27,808,734	\$ 16,642,544	167.0942%	72.40%
	2022	0.3401%	18,157,055	14,087,990	128.8832%	83.90%
	2021	0.3050%	33,929,225	15,042,907	225.5497%	65.61%
	2020	0.4094%	40,632,807	20,230,440	200.8498%	68.57%
	2019	0.5245%	51,550,913	23,859,715	216.0584%	68.17%
	2018	0.4885%	50,084,418	28,475,489	175.8861%	65.55%
	2017	0.5741%	67,384,976	28,825,542	233.7683%	59.90%
	2016	0.6096%	65,549,001	27,306,350	240.0504%	62.50%
	2015	0.5878%	60,078,728	26,191,785	229.3800%	63.70%
Louisiana School Employees Retirement System						
	2023	0.4655%	\$ 309,570	\$ 144,106	214.8210%	76.31%
	2022	0.0484%	230,082	135,770	169.4645%	82.51%
	2021	0.0102%	82,073	41,682	196.9027%	69.67%
	2020	0.0141%	98,457	40,171	245.0947%	73.49%
	2019	0.0276%	184,152	33,148	555.5448%	74.44%
	2018**	0.0624%	399,487	130,747	305.5420%	75.03%
Louisiana State Employees Retirement System						
	2022	0.0136%	\$ 1,025,479	\$ 108,695	943.4463%	63.70%
	2022	0.0262%	1,443,748	329,590	438.0436%	72.80%
	2021	0.0222%	1,837,412	522,650	351.5569%	58.00%
	2020	0.0268%	1,938,666	936,072	207.1065%	62.90%
	2019	0.0079%	540,002	256,510	210.5189%	64.30%
	2018	0.1757%	1,236,441	371,665	332.6762%	62.54%
	2017	0.1772%	1,391,786	385,050	361.4559%	57.70%
	2016	0.1355%	921,809	321,035	287.1366%	62.70%
	2015	0.1314%	821,567	265,843	309.0422%	65.00%

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

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2023

Pension Plan:	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll ³	Contributions as a % of Covered Payroll
Teachers Retirement System of Louisiana						
	2023	\$ 4,133,334	\$ 4,133,334	-	\$ 16,642,544	24.8360%
	2022	3,684,738	3,684,738	-	14,087,990	26.1552%
	2021	4,729,010	4,729,010	-	17,553,155	26.9411%
	2020	3,926,649	3,926,649	-	15,042,907	26.1030%
	2019	5,405,827	5,405,827	-	20,230,440	26.7213%
	2018	6,345,018	6,345,018	-	23,859,715	26.5930%
	2017	7,345,329	7,345,329	-	28,475,489	25.7953%
	2016	7,655,504	7,655,504	-	28,825,542	26.5581%
	2015	7,683,825	7,683,825	-	27,306,350	28.1393%
Louisiana School Employees Retirement System						
	2023	\$ 39,773	\$ 39,773	-	\$ 144,106	27.5998%
	2022	38,966	38,966	-	135,770	28.7000%
	2021	38,447	38,447	-	133,961	28.7001%
	2020	12,255	12,255	-	41,682	29.4012%
	2019	11,248	11,248	-	40,171	28.0003%
	2018	9,148	9,148	-	33,148	27.5974%
	2017*	35,769	35,769	-	130,747	27.3574%
Louisiana State Employees Retirement System						
	2023	\$ 49,913	\$ 49,913	-	\$ 108,695	45.9202%
	2022	128,867	128,867	-	329,590	39.0992%
	2021	218,516	218,516	-	544,927	40.1001%
	2020	212,065	212,065	-	522,650	40.5750%
	2019	354,771	354,771	-	936,072	37.9000%
	2018	102,989	102,989	-	256,510	40.1501%
	2017	133,222	133,222	-	371,665	35.8446%
	2016	143,239	143,239	-	385,050	37.2001%
	2015	118,394	118,394	-	321,035	36.8788%

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

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

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll

² Actual employer contributions remitted to Retirement Systems

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE DESCRIPTIONS
MAJOR FUNDS WITH A LEGALLY ADOPTED ANNUAL BUDGET

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

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

ELEMENTARY AND SECONDARY SCHOOL ELEMENTARY RELIEF (ESSER) To account for the federal grants received for ESSER by the School Board under the provisions of the three federal acts (CARES, CRRSA and ARP) through the Louisiana Department of Education to fund costs associated with the COVID-19 pandemic.

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

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

Exhibit 1.1

REVENUES	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Local sources:				
Ad valorem taxes	\$ 1,100,000	\$ 1,100,000	\$ 2,441,847	\$ 1,341,847
Sales and use taxes	1,100,000	1,100,000	22,248,609	21,148,609
Earnings on investments	300,000	300,000	6,023,872	5,723,872
Other	14,633,408	14,633,408	23,994,197	9,360,789
State sources:				
Equalization - Minimum Foundation	1,459,679	1,459,679	3,574,173	2,114,494
Other	3,421,378	3,421,378	2,952,187	(469,191)
Federal sources:	-	-	2,274,475	2,274,475
TOTAL REVENUES	22,014,465	22,014,465	63,509,360	41,494,895
EXPENDITURES				
Current:				
Instruction:				
Regular programs	420,000	420,000	446,397	(26,397)
Special education	1,003,647	1,003,647	1,291,246	(287,599)
Other instructional programs	9,111,000	9,111,000	4,309,036	4,801,964
Support: services:				
Student services	3,682,038	3,682,038	4,108,549	(426,511)
Instructional staff support	724,443	724,443	1,088,421	(363,978)
General administration	6,110,240	6,110,240	4,022,361	2,087,879
School administration	10,500	10,500	948,254	(937,754)
Business services	3,210,836	3,210,836	5,492,057	(2,281,221)
Plant services	4,982,539	4,982,539	4,752,984	229,555
Central services	6,155,125	6,155,125	5,551,659	603,466
Appropriations - Charter Schools and OJJ:				
Type II Charter Schools and OJJ	-	-	392,431	(392,431)
Capital Outlay:				
Facilities acquisition and construction	-	-	70,943	(70,943)
Other	-	-	109,526	(109,526)
TOTAL EXPENDITURES	35,410,368	35,410,368	32,583,864	2,826,504
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,395,903)	(13,395,903)	30,925,496	44,321,399
OTHER FINANCING SOURCES (USES)				
Transfers in	13,755,000	13,755,000	5,833,077	(7,921,923)
Transfers out	-	-	(29,131,710)	(29,131,710)
Judgments	-	-	3,016	3,016
TOTAL OTHER FINANCING SOURCES (USES)	13,755,000	13,755,000	(23,295,617)	(37,050,617)
NET CHANGE IN FUND BALANCES	359,097	359,097	7,629,879	7,270,782
FUND BALANCES - BEGINNING	51,892,060	51,892,060	82,878,463	30,986,403
FUND BALANCES - ENDING	\$ 52,251,157	\$ 52,251,157	\$ 90,508,342	\$ 38,257,185

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

PASS-THROUGH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 1.2

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Local sources:				
Ad valorem taxes	\$ 141,749,897	\$ 141,749,897	\$ 188,006,449	\$ 46,256,552
Sales and use taxes	121,749,896	121,749,896	135,040,061	13,290,165
Other	-	-	626,914	626,914
State sources:				
Equalization - Minimum Foundation	209,882,534	209,882,534	222,196,836	12,314,302
TOTAL REVENUES	473,382,327	473,382,327	545,870,260	72,487,933
<u>EXPENDITURES</u>				
Current:				
Support: services:				
General administration	9,108,381	9,108,381	11,201,187	(2,092,806)
Appropriations - Charter Schools and OJJ:				
Type II Charter Schools and OJJ	12,434,533	12,434,533	13,728,655	(1,294,122)
Type III Charter Schools	451,075,913	451,075,913	528,302,128	(77,226,215)
Other	763,500	763,500	21,770,000	(21,006,500)
TOTAL EXPENDITURES	473,382,327	473,382,327	575,001,970	(101,619,643)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(29,131,710)	(29,131,710)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	29,131,710	29,131,710
TOTAL OTHER FINANCING SOURCES (USES)	-	-	29,131,710	29,131,710
<u>NET CHANGE IN FUND BALANCES</u>	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

ELEMENTARY AND SECONDARY SCHOOL ELEMENTARY RELIEF (ESSER)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 1.3

<u>REVENUES</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
State sources:				
Other	\$ -	\$ -	\$ 148	\$ 148
Federal source:	25,402,958	25,402,958	25,106,779	(296,179)
TOTAL REVENUES	25,402,958	25,402,958	25,106,927	(296,031)
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Special education	152,206	152,206	1,021,174	(868,968)
Support: services:				
Student services	1,489,112	1,489,112	2,228,405	(739,293)
Instructional staff support	-	-	36,203	(36,203)
General administration	-	-	128,892	(128,892)
Business services	712,005	712,005	890,068	(178,063)
Plant services	143,145	143,145	224,448	(81,303)
Central services	-	-	817,822	(817,822)
Food services	-	-	105,195	(105,195)
Appropriations - Charter Schools:				
Type III Charter Schools	-	-	14,746,853	(14,746,853)
TOTAL EXPENDITURES	2,496,468	2,496,468	20,199,060	(17,702,592)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,906,490	22,906,490	4,907,867	(17,998,623)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(22,906,490)	(22,906,490)	(4,907,867)	17,998,623
TOTAL OTHER FINANCING SOURCES (USES)	(22,906,490)	(22,906,490)	(4,907,867)	17,998,623
<u>NET CHANGE IN FUND BALANCES</u>	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Benefit Changes -

Measurement date

6/30/2023 – Change in benefit structure for Medicare eligible retirees due to a change in insurance carriers. There were no changes to the benefit terms that affected the total OPEB liability for measurement dates 6/30/2022, 6/30/2021, 6/30/2020 and 6/30/2019

Changes of Assumptions -

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

Discount rate assumption

Measurement Date	Rate	Change
6/30/2023	3.65%	0.11%
6/30/2022	3.54%	1.38%
6/30/2021	2.16%	-0.05%
6/30/2020	2.21%	-1.29%
6/30/2019	3.50%	-0.37%
6/30/2018	3.87%	

Salary rate assumption

Measurement Date	Rate	Change
6/30/2023	3.00%	-
6/30/2022	3.00%	-0.50%
6/30/2021	3.50%	-
6/30/2020	3.50%	-
6/30/2019	3.50%	-

Mortality

Measurement Date	Table Used:
6/30/2023	Pub-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
6/30/2022	Pub-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
6/30/2021	Pub-2010 generational table scaled using MP-2019 and applied on a gender-specific basis.
6/30/2020	Pub-2010 generational table scaled using MP-2019 and applied on a gender-specific basis.
6/30/2019	MP-2019 and applied on a gender-specific basis.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Healthcare cost trend rates

Measurement Date Rates Used:

6/30/2023	6.75%/6.25% for pre-Medicare Medical and Rx Benefits/Medicare claims based on the current HCA Consulting trend study reduced 0.25% each year until reaching the ultimate rate of 4.0%.
6/30/2022	7.0%/6.5% for pre-Medicare Medical and Rx Benefits/Medicare claims based on the current HCA Consulting trend study reduced 0.25% each year until reaching the ultimate rate of 4.0%.
6/30/2021	No change
6/30/2020	No change
6/30/2019	6.0%/5.0% for pre-Medicare Medical and Rx Benefits/Medicare claims based on the current HCA Consulting trend study reduced 0.5% each year until reaching the ultimate rate of 4.5%.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Changes of Benefit Terms include:

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

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

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

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

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

Louisiana School Employees Retirement System (LSERS)

2021 – Act 37 authorizes a minimum benefit increase beginning July 1, 2021 funded from the system's experience account to certain retirees and survivors of the Louisiana School Employees' Retirement System.

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

Louisiana State Employees' Retirement System (LASERS)

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

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

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Changes of Assumptions

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

Year (*)	Discount rate:		Inflation rate:		Salary increases: Range
	Rate	Change	Rate	Change	
TRSL					
2022	7.250%	-0.150%	2.300%	0.000%	No change
2021	7.400%	-0.050%	2.300%	-0.200%	No change
2020	7.450%	-0.100%	2.500%	0.000%	3.10 to 4.60% for various member types
2019	7.550%	-0.100%	2.500%	0.000%	No change
2018	7.650%	-0.050%	2.500%	0.000%	3.30 to 4.80% for various member types
2017	7.700%	-0.050%	2.500%	0.000%	No change
2016	7.750%	0.000%	2.500%	0.000%	3.50 to 10.0% for various member types
2015	7.750%		2.500%		
LSERS					
2022	6.800%	-0.100%	2.500%	0.000%	No change
2021	6.900%	-0.100%	2.500%	0.000%	No change
2020	7.000%	0.000%	2.500%	0.000%	No change
2019	7.000%	-0.062%	2.500%	0.000%	No change
2018	7.063%	-0.063%	2.500%	-0.125%	3.25%
2017	7.125%	0.000%	2.625%	0.000%	3.075% to 5.375%
2016	7.125%	0.125%	2.625%	-0.125%	3.200% to 5.500%
2015	7.000%		2.750%		
LASERS					
2022	7.250%	-0.150%	2.300%	0.000%	No change
2021	7.400%	-0.150%	2.300%	0.000%	No change
2020	7.550%	-0.050%	2.300%	-0.200%	2.60% to 13.80% for various member types
2019	7.600%	-0.050%	2.500%	-0.250%	2.80% to 14.00% for various member types
2018	7.650%	-0.050%	2.750%	0.000%	No change
2017	7.700%	-0.050%	2.750%	-0.250%	2.80% to 14.30% for various member types
2016	7.750%	0.000%	3.000%	0.000%	3.00% to 14.50% for various member types
2015	7.750%		3.000%		

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

Mortality Table

TRSL

2022 – No change

2021 – No change

2020 – No change

2019 – No change

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

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

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

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

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

LSERS

2022 – No change

2021 – No change

2020 – No change

2019 – No change

2018 – RP-2014 Healthy Annuitant, Sex Distinct Employee, Sex Distinct Disabled Tables

2017 – RP-2000 Sex Distinct Mortality and Disabled Lives Mortality Tables

LASERS

2022 – No change

2021 – No change

2020 – Non-disabled members - Mortality rates based on the RP-2014 Blue Collar (males / females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement scale MP-2018.

Disabled members - Mortality rates based on the RP-2000 disabled Retirees Mortality Table, with no projection for mortality improvement.

2019 – Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.

Disabled members - Mortality rates based on the RP-2000 disabled Retirees Mortality Table, with no projection for mortality improvement.

2018 – No change

2017 – Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

C. GENERAL BUDGET POLICIES

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

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

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

Appropriations (unexpended budget balances) lapse at year end.

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

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

SUPPLEMENTARY INFORMATION

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - BY FUND TYPE
JUNE 30, 2023

Exhibit 2

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 719,338	\$ 2,060,445	\$ 2,779,783
Equity in pooled assets	25,938,833	32,251,814	58,190,647
Receivables	5,403,958	3,346,492	8,750,450
Interfund receivables	744,494	2,249,229	2,993,723
Inventories	49,754	-	49,754
Prepaid items	-	51,000	51,000
TOTAL ASSETS	\$ 32,856,377	\$ 39,958,980	\$ 72,815,357
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts and other payables	2,985,499	3,513,037	6,498,536
Interfund payables	8,865,257	6,113,744	14,979,001
Unearned revenues	60,697	-	60,697
TOTAL LIABILITIES	11,911,453	9,626,781	21,538,234
Fund balances:			
Nonspendable	49,754	51,000	100,754
Restricted	20,895,170	19,379,132	40,274,302
Committed	-	9,380,053	9,380,053
Assigned	-	1,522,014	1,522,014
TOTAL FUND BALANCES	20,944,924	30,332,199	51,277,123
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,856,377	\$ 39,958,980	\$ 72,815,357

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<u>REVENUES</u>			
Local sources:			
Ad valorem taxes	\$ -	\$ 23,463,759	\$ 23,463,759
Sales and use taxes	5,117,880	15,410,841	20,528,721
Earnings on investments	-	37,935	37,935
Food Services	213,029	-	213,029
Other	3,020	1,178,775	1,181,795
State sources:			
Other	1,313,062	110,341	1,423,403
Federal sources	16,907,393	3,205,676	20,113,069
TOTAL REVENUES	23,554,384	43,407,327	66,961,711
<u>EXPENDITURES</u>			
Current:			
Instruction:			
Regular programs	-	133,503	133,503
Special education	1,605,470	-	1,605,470
Other instructional programs	150,237	-	150,237
Special programs	4,052,278	-	4,052,278
Support services:			
Student services	2,404,493	-	2,404,493
Instructional staff support	302,173	-	302,173
General administration	-	1,378,354	1,378,354
School administration	115,000	-	115,000
Business services	301,171	-	301,171
Plant services	20,087	8,926,438	8,946,525
Student transportation services	-	-	-
Central services	86,861	-	86,861
Food services	4,134,081	-	4,134,081
Appropriations - Charter Schools and OJJ:			
Type III Charter Schools	3,722,061	-	3,722,061
Capital Outlay:			
Facilities acquisition and construction	-	5,594,590	5,594,590
TOTAL EXPENDITURES	16,893,912	16,032,885	32,926,797
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 6,660,472	\$ 27,374,442	\$ 34,034,914

(continued)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	\$ -	\$ 5,000,000	\$ 5,000,000
Transfers out	(919,210)	(31,060,200)	(31,979,410)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(919,210)</u>	<u>(22,096,528)</u>	<u>(23,015,738)</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 5,741,262	 5,277,914	 11,019,176
 FUND BALANCES - BEGINNING	 <u>15,203,662</u>	 <u>25,054,285</u>	 <u>40,257,947</u>
 FUND BALANCES - ENDING	 <u>\$ 20,944,924</u>	 <u>\$ 30,332,199</u>	 <u>\$ 51,277,123</u> (concluded)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NONMAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS

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

GOVERNOR'S EMERGENCY EDUCATION RELIEF FUND (GEERF) To account for the federal grants received for GEERF by the School Board under the provisions of the three federal acts (CARES, CRRSA and ARP) through the Louisiana Department of Education to fund costs associated with the COVID-19 pandemic.

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

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

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

Exhibit 4

	<u>ESSA</u>	<u>GEERF</u>	<u>IDEA</u>	<u>SCHOOL FOOD SERVICE</u>	<u>MISCELLANEOUS FEDERAL</u>	<u>MISCELLANEOUS STATE AND LOCAL GRANTS</u>	<u>TOTAL</u>
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 719,338	\$ -	\$ -	\$ 719,338
Equity in pooled assets	2,929,157	9,914	2,107,621	3,761,862	845,011	16,285,268	25,938,833
Receivables	3,215,627	-	1,544,097	311,317	260,495	72,422	5,403,958
Interfund receivables	564,073	-	-	-	100,421	80,000	744,494
Inventories	-	-	-	49,754	-	-	49,754
TOTAL ASSETS	\$ 6,708,857	\$ 9,914	\$ 3,651,718	\$ 4,842,271	\$ 1,205,927	\$ 16,437,690	\$ 32,856,377
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts and other payables	\$ 1,701,823	\$ -	\$ 605,937	\$ 25,837	\$ 62,957	\$ 588,945	\$ 2,985,499
Interfund payables	5,007,034	9,914	3,045,781	-	444,602	357,926	8,865,257
Unearned revenues	-	-	-	-	-	60,697	60,697
TOTAL LIABILITIES	6,708,857	9,914	3,651,718	25,837	507,559	1,007,568	11,911,453
Fund balances:							
Nonspendable	-	-	-	49,754	-	-	49,754
Restricted	-	-	-	4,766,680	698,368	15,430,122	20,895,170
TOTAL FUND BALANCES	-	-	-	4,816,434	698,368	15,430,122	20,944,924
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,708,857	\$ 9,914	\$ 3,651,718	\$ 4,842,271	\$ 1,205,927	\$ 16,437,690	\$ 32,856,377

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 5

	ESSA	GEERF	IDEA	SCHOOL FOOD SERVICE	MISCELLANEOUS FEDERAL	MISCELLANEOUS STATE AND LOCAL GRANTS	TOTAL
<u>REVENUES</u>							
Local sources:							
Sales and use taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,117,880	\$ 5,117,880
Food Services	-	-	-	213,029	-	-	213,029
Other	-	-	-	3,020	-	-	3,020
State sources:							
Other	-	-	-	-	94,544	1,218,518	1,313,062
Federal sources	7,517,154	-	4,391,411	4,421,579	577,249	-	16,907,393
TOTAL REVENUES	7,517,154	-	4,391,411	4,637,628	671,793	6,336,398	23,554,384
<u>EXPENDITURES</u>							
Current:							
Instruction:							
Special education	-	-	1,605,470	-	-	-	1,605,470
Other Instructional programs	45,112	-	-	-	105,125	-	150,237
Special programs	3,957,734	-	-	-	94,544	-	4,052,278
Support services:							
Student services	73	-	2,144,360	-	260,060	-	2,404,493
Instructional staff support	5,835	-	296,338	-	-	-	302,173
School administration	-	-	-	-	-	115,000	115,000
Business services	243,892	-	-	31,914	-	25,365	301,171
Plant services	-	-	-	20,087	-	-	20,087
Central services	1,028	-	-	-	-	85,833	86,861
Food services	-	-	-	4,135,328	-	(1,247)	4,134,081
Appropriations - Charter Schools and OJJ:							
Type III Charter Schools	2,743,695	-	-	-	165,261	813,105	3,722,061
TOTAL EXPENDITURES	6,997,369	-	4,046,168	4,187,329	624,990	1,038,056	16,893,912
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 519,785	\$ -	\$ 345,243	\$ 450,299	\$ 46,803	\$ 5,298,342	\$ 6,660,472

(continued)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 5

	<u>ESSA</u>	<u>GEERF</u>	<u>IDEA</u>	<u>SCHOOL FOOD SERVICE</u>	<u>MISCELLANEOUS FEDERAL</u>	<u>MISCELLANEOUS STATE AND LOCAL GRANTS</u>	<u>TOTAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers out	\$ (519,785)	\$ -	\$ (345,243)	\$ -	\$ (46,803)	\$ (7,379)	\$ (919,210)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(519,785)</u>	<u>-</u>	<u>(345,243)</u>	<u>-</u>	<u>(46,803)</u>	<u>(7,379)</u>	<u>(919,210)</u>
<u>NET CHANGE IN FUND BALANCES</u>	-	-	-	450,299	-	5,290,963	5,741,262
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,366,135</u>	<u>698,368</u>	<u>10,139,159</u>	<u>15,203,662</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,816,434</u>	<u>\$ 698,368</u>	<u>\$ 15,430,122</u>	<u>\$ 20,944,924</u> (concluded)

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NONMAJOR CAPITAL PROJECT FUNDS DESCRIPTIONS

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

HURRICANE KATRINA RESTORATION A capital projects fund established to account for the construction and renovation of school facilities funded by the Federal Emergency Management Agency (FEMA).

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

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

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

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

FACILITIES PRESERVATION FUND A capital projects fund established pursuant to Act 543 of the 2014 Regular Legislative Session (LSA-RA 17:100.11) to provide for the allocation of certain ad valorem and sales tax revenues to fund the replacement, repair, and improvement of existing school facilities.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

Exhibit 6

	HURRICANE KATRINA RESTORATION	HARRRAH'S CASINO	G.O. BOND	OTHER	MASTER PLAN	FACILITIES PRESERVATION	TOTAL
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,060,445	\$ -	\$ 2,060,445
Equity in pooled assets	2,879,179	-	1,400,718	11,253,974	-	16,717,943	32,251,814
Receivables	3,310,763	-	-	35,729	-	-	3,346,492
Interfund receivables	-	-	-	-	-	\$ 2,249,229	\$ 2,249,229
Prepaid items	-	-	-	51,000	-	-	51,000
TOTAL ASSETS	\$ 6,189,942	\$ -	\$ 1,400,718	\$ 11,340,703	\$ 2,060,445	\$ 18,967,172	\$ 39,958,980
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts and other payables	\$ 212,739	\$ -	\$ -	\$ 1,909,650	\$ 362,882	1,027,766	\$ 3,513,037
Interfund payables	4,455,189	-	-	-	1,658,555	\$ -	6,113,744
Unearned revenues	-	-	-	-	-	-	-
TOTAL LIABILITIES	4,667,928	-	-	1,909,650	2,021,437	1,027,766	9,626,781
Fund balances:							
Nonspendable	-	-	-	51,000	-	-	51,000
Restricted	-	-	1,400,718	-	39,008	17,939,406	19,379,132
Committed	-	-	-	9,380,053	-	-	9,380,053
Assigned	1,522,014	-	-	-	-	-	1,522,014
TOTAL FUND BALANCES	1,522,014	-	1,400,718	9,431,053	39,008	17,939,406	30,332,199
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,189,942	\$ -	\$ 1,400,718	\$ 11,340,703	\$ 2,060,445	\$ 18,967,172	\$ 39,958,980

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

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

Exhibit 7

	HURRICANE KATRINA RESTORATION	HARRRAH'S CASINO	G.O. BOND	OTHER	MASTER PLAN	FACILITIES PRESERVATION	TOTAL
REVENUES							
Local sources:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,463,759	\$ 23,463,759
Sales and use taxes	-	-	-	-	-	15,410,841	15,410,841
Earnings on investments	-	-	-	-	37,935	-	37,935
Other	-	-	-	982,304	-	196,471	1,178,775
State sources:							
Other	-	-	-	110,341	-	-	110,341
Federal sources:	2,713,378	-	-	50,000	-	442,298	3,205,676
TOTAL REVENUES	<u>2,713,378</u>	<u>-</u>	<u>-</u>	<u>1,142,645</u>	<u>37,935</u>	<u>39,513,369</u>	<u>43,407,327</u>
EXPENDITURES							
Current:							
Instruction:							
Regular programs	-	-	-	133,503	-	-	133,503
Support services:							
General administration	-	-	-	22,095	-	1,356,259	1,378,354
Plant services	122,073	-	-	3,567,201	-	5,237,164	8,926,438
Capital Outlay:							
Facilities acquisition and construction	1,069,291	-	786	974,615	-	3,549,898	5,594,590
TOTAL EXPENDITURES	<u>1,191,364</u>	<u>-</u>	<u>786</u>	<u>4,697,414</u>	<u>-</u>	<u>10,143,321</u>	<u>16,032,885</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u>1,522,014</u>	 <u>-</u>	 <u>(786)</u>	 <u>(3,554,769)</u>	 <u>37,935</u>	 <u>29,370,048</u>	 <u>27,374,442</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	5,000,000	5,000,000
Transfers out	-	-	-	-	-	(31,060,200)	(31,060,200)
Insurance recoveries	-	-	-	-	-	3,963,672	3,963,672
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,096,528)</u>	<u>(22,096,528)</u>
 NET CHANGE IN FUND BALANCES	 <u>1,522,014</u>	 <u>-</u>	 <u>(786)</u>	 <u>(3,554,769)</u>	 <u>37,935</u>	 <u>7,273,520</u>	 <u>5,277,914</u>
 FUND BALANCES - BEGINNING	 <u>-</u>	 <u>-</u>	 <u>1,401,504</u>	 <u>12,985,822</u>	 <u>1,073</u>	 <u>10,665,886</u>	 <u>25,054,285</u>
 FUND BALANCES - ENDING	 <u>\$ 1,522,014</u>	 <u>\$ -</u>	 <u>\$ 1,400,718</u>	 <u>\$ 9,431,053</u>	 <u>\$ 39,008</u>	 <u>\$ 17,939,406</u>	 <u>\$ 30,332,199</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
COMBINING INTERNAL SERVICE FUNDS DESCRIPTIONS

The Internal Service Funds account for the receipts and disbursements including reimbursements, administrative expenses, premium payments and claims expenses for the School Board's insurance programs (formerly self-insured programs).

The Board maintains the following internal service funds related to the insurance programs:

EMPLOYEE'S HEALTH/LIFE

RETIREE'S HEALTH/LIFE

WORKERS' COMPENSATION

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit 8

<u>ASSETS</u>	<u>EMPLOYEE'S HEALTH/LIFE</u>	<u>RETIREE'S HEALTH/LIFE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTAL</u>
Current:				
Cash and cash equivalents	\$ -	\$ 1,508,190	\$ 73,290	\$ 1,581,480
Equity in pooled assets	2,513	1,899,833	2,422,004	4,324,350
TOTAL ASSETS	2,513	3,389,463	2,495,294	5,887,270
<u>LIABILITIES</u>				
Current liabilities:				
Interfund payables	2,533	3,375,637	-	3,378,170
Claims payable	-	-	973,810	973,810
Total current liabilities	2,533	3,375,637	973,810	4,351,980
Noncurrent:				
Claims payable	-	2,000	-	2,000
Total noncurrent liabilities	-	2,000	-	2,000
TOTAL LIABILITIES	2,533	3,377,637	973,810	4,353,980
NET POSITION (UNRESTRICTED)	\$ (20)	\$ 11,826	\$ 1,521,484	\$ 1,533,290

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit 9

	<u>EMPLOYEE'S HEALTH/LIFE</u>	<u>RETIREE'S HEALTH/LIFE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTAL</u>
<u>OPERATING REVENUES</u>				
Reimbursements	\$ -	\$ -	\$ 169,291	\$ 169,291
Earnings on investments	-	11,826	-	11,826
TOTAL OPERATING REVENUES	-	11,826	169,291	181,117
<u>OPERATING EXPENSES</u>				
Administrative expenses	20	-	33,000	33,020
Benefit payments / claims expense	-	-	128,165	128,165
TOTAL OPERATING EXPENSES	20	-	161,165	161,185
NET OPERATING INCOME (LOSS)	(20)	11,826	8,126	19,932
Changes in net position	(20)	11,826	8,126	19,932
NET POSITION, BEGINNING	-	-	1,513,358	1,513,358
NET POSITION, ENDING	<u>\$ (20)</u>	<u>\$ 11,826</u>	<u>\$ 1,521,484</u>	<u>\$ 1,533,290</u>

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

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Exhibit 10

	<u>EMPLOYEE'S HEALTH/LIFE</u>	<u>RETIREE'S HEALTH/LIFE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTAL</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Other receipts	\$ -	\$ 30,386	\$ 169,291	\$ 199,677
Payments for benefits		-	(330,456)	(330,456)
Payments to employees for salaries and related benefits	(20)	-	-	(20)
Payments to suppliers and service providers	(2,780)	(15,835)	(61,875)	(80,490)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(2,800)</u>	<u>14,551</u>	<u>(223,040)</u>	<u>(211,289)</u>
NET CHANGE IN CASH	(2,800)	14,551	(223,040)	(211,289)
Cash at beginning of year	<u>5,313</u>	<u>3,393,472</u>	<u>2,718,334</u>	<u>6,117,119</u>
Cash at end of year	<u>\$ 2,513</u>	<u>\$ 3,408,023</u>	<u>\$ 2,495,294</u>	<u>\$ 5,905,830</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</u>				
Operating income (loss)	\$ (20)	\$ 11,826	\$ 8,126	\$ 19,932
Changes in assets and liabilities:				
(Increase) decrease in receivables	-	18,560	-	18,560
Increase (decrease) in accounts payable	(2,780)	-	(61,875)	(64,655)
Increase (decrease) in compensated absences	-	(15,835)	-	(15,835)
Increase (decrease) in claims payable	-	-	(169,291)	(169,291)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (2,800)</u>	<u>\$ 14,551</u>	<u>\$ (223,040)</u>	<u>\$ (211,289)</u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE SUPERINTENDENT
FOR THE YEAR ENDED JUNE 30, 2023

<u>Board Member</u>	<u>District Number</u>	<u>Salary</u>
Leila Eames	1	9,600
Ethan Ashley	2	9,600
Olin Parker	3	12,000 (1)
Jancarlo "J.C." Romero	4	800
Dr. Donald R. Batiste	4	8,800
Katherine Baudouin	5	9,600
Carlo L. Zervigon	6	9,600
Nolan Marshall, Jr.	7	9,600
		<u>\$ 69,600</u>

(1) President term started January 1, 2023

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE SUPERINTENDENT
FOR THE YEAR ENDED JUNE 30, 2023

Dr. Henderson Lewis, Jr.*

Purpose	Amount
Salary	\$ 18,523
Benefits-Health Insurance	-
Benefits - Retirement	6,076
Payroll taxes and unemployment expenses	2,090
Vacation Payout	20,548
Travel	-
Other-Professional Dues	-
Total	\$ 47,237

*Termed 7/8/2022

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE SUPERINTENDENT
FOR THE YEAR ENDED JUNE 30, 2023

Dr. Avis Williams*

Purpose	Amount
Salary	\$ 286,826
Benefits-Health Insurance	9,302
Benefits - Retirement	94,079
Payroll taxes and unemployment expenses	15,294
Travel	14,151
Other-Professional Dues	2,935
Total	\$ 422,587

*Started 7/11/2023

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

SCHEDULE OF LEGACY COSTS
PER LSA-RS 17:1990 (C) (2)
FOR THE YEAR ENDED JUNE 30, 2023

<u>Description</u>	<u>Amount</u>
Costs incurred on workers' compensation claims filed against the board prior to August 29, 2005, including related administrative costs.	\$128,165
Costs to defend legal claims arising against the board prior to August 29, 2005, and legal claims against the board after August 29, 2005, that are directly attributable to Hurricane Katrina or Act 35 of the 2005 First Extraordinary Session of the Louisiana Legislature.	5,625
Employer's cost of health insurance for retired participants in the board's plan as of July 1, 2009, which shall not exceed twenty-five percent of the total premium cost.	149,685
A supplement of two hundred dollars per month for health insurance premiums for retired participants in the board's plan as of July 1, 2009.	<u>165,600</u>
Subtotal - Deducted from \$120/pupil sales tax revenues per LSA-RS 17:100.12	449,075
Costs of short-term borrowing, including but not limited to attorney fees and interest, to provide stabilized cash flow to the Recovery School District and charter schools.	1,486,854
A fee of one-tenth of one percent of total ad valorem and sales taxes collected.	<u>391,729</u>
Subtotal - Deducted per LSA-RS 17:3995 (A) (1)	<u>1,878,583</u>
Grand Total - Legacy Costs	<u><u>\$2,327,658</u></u>

**OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND BY UNIFORM GUIDANCE**

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

To the Members of the
Orleans Parish School Board
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (the School Board) as of and for the year ended June 30, 2023, 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 January 2, 2024.

Report on Internal Control over Financial Reporting

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

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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-003.

Orleans Parish School Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

The logo for EisnerAmper LLP, featuring the company name in a stylized, cursive script font.

EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2024



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

To the Members of the
Orleans Parish School Board
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Orleans Parish School Board's (the School Board) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Board.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2024



ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Program Name	Assistance Listing Number	Pass-Through Grantor No.	OPSB Expenditures	Pass-Through to Subrecipients
United States Department of Homeland Security (FEMA) Passed through the Governor's Office of Homeland Security & Emergency Preparedness FEMA Disaster Relief Program	97.036	N/A	\$ 2,713,378	\$ -
Total United States Department of Homeland Security			2,713,378	-
United States Department of Agriculture (USDA) Passed through State Department of Education: Child Nutrition Cluster: Non-Cash Assistance (Commodities): National School Lunch Program	10.555	N/A	375,587	-
Cash Assistance: School Breakfast Program	10.553	N/A	912,099	-
National School Lunch Program	10.555	N/A	2,410,320	-
Special Milk Program for Children	10.556	N/A	207,546	-
Summer Food Service Program for Children	10.559	N/A	206,858	-
National School Lunch Program Snacks	10.555	N/A	74,919	-
<i>Cash Assistance Subtotal</i>			<u>3,811,742</u>	<u>-</u>
Total United States Department of Agriculture			4,187,329	-
United States Department of Education (ED) Passed through Department of Education Every Student Succeeds Act (ESSA) Title I	84.010A	28-17-T1-36	7,029,516	2,729,646
Title I - Direct Student Services	84.010A	28-15-BJ-36	170,407	170,407
Subtotal			<u>7,199,923</u>	<u>2,900,053</u>
Title II	84.367A	28-17-50-36	265,707	39,714
Title III	84.365A	28-17-60-36	14,943	14,943
Title IV	84.186A	28-17-70-36	206,988	64,157
Individuals with Disabilities and Exceptionalities Act (IDEA) IDEA Part B	84.027A*	28-17-B1-36	4,266,983	-
IDEA Preschool	84.173A*	28-17-P1-36	124,428	-
Individuals with Disabilities and Exceptionalities Act (IDEA) Total			<u>4,391,411</u>	<u>-</u>
McKinney-Vento Homeless	84.196A	28-17-H1-36	406,842	41,656
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund) - Formula	84.425D	28-20-ERSF-36	2,332,830	672,738
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund) - Incentive	84.425D	28-20-ERSF-36	232,400	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund II) - Formula	84.425D	28-21-ES2F-36	22,077,545	17,038,570
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund III) - Intervention	84.425U	28-21-ES3F-36	2,527,279	2,269,699
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER Fund III) - Incentive	84.425U	28-21-ES3F-36	169,182	-
Subtotal			<u>27,339,236</u>	<u>19,981,007</u>
Total United States Department of Education			39,825,050	23,041,530
Total Federal Awards Expenditures			\$ 46,725,757	\$ 23,041,530

* Special Education Cluster - Total \$4,391,411

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the Orleans Parish School Board (the School Board) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – NON-CASH ASSISTANCE - FOOD COMMODITIES

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. During the year ended June 30, 2023, the School Board received and disbursed \$375,587 in commodities.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2023, the School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance. Instead, the School Board has an indirect cost rate that is provided by the Louisiana Department of Education.

NOTE D – RECONCILIATION TO FINANCIAL STATEMENTS

The Federal Expenditures reported on the SEFA of \$46,725,757 reconciled to fund level expenditures as follows:

General Fund	\$ 2,232,457
Elementary & Secondary School Emergency Relief (ESSER)	25,106,779
Every Student Succeeds Act (ESSA)	7,199,923
IDEA	4,391,411
School Food Service	4,187,329
Other Federal Funds	894,480
Hurricane Katrina Restoration (FEMA)	1,192,364
Total Federal Restricted Grants-in-Air per Financial Statements	<u>45,203,743</u>
Plus: FEMA Expenditures previously not reported	<u>1,522,014</u>
Total Federal Expenditures	<u>\$ 46,725,757</u>

NOTE E – DISASTER GRANTS-PUBLIC ASSISTANCE

Non-Federal entities must record expenditures on the SEFA when: (1) Federal Emergency Management Agency (FEMA) has approved the non-Federal entity's project worksheet (PW), and (2) the non-Federal entity has incurred the eligible expenditures. In 2023, FEMA had approved \$1,522,014 of eligible expenditures that were incurred in a prior year and are not previously included on the Schedule.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027 & 84.073	Special Education Cluster (IDEA Part B, IDEA Preschool)
84.425D & 84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$1,401,773

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: Internal Control Over Financial Reporting of Reciliations of Receivables, Revenue and Payables

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

Condition: As part of the audit process, we have assisted management in drafting the financial statements and related notes for the year-end audit procedures. Because our involvement is so key to that process, that is an indication that the internal control over the preparation of year-end GAAP financial statements by the School Board is not sufficient. During our audit, we noted that grants receivable and related revenue accounts required adjustment totaling approximately \$3.3 million to properly reflect account balances at the end of the fiscal year. There were also instances of sales tax and ad valorem tax receivables and related revenue accounts requiring adjustment totaling approximately \$167,000 to properly reflect account balances at the end of the fiscal year. Additionally, we identified an instance of an expense totaling approximately \$17,600 not being properly reflected in the accrued liabilities at the end of the fiscal year. **This is a partial repeat finding from the prior fiscal year (2022-001).**

Cause: Certain balance sheet accounts were not properly reconciled to subsidiary ledgers to ensure completeness and accuracy of month-end and year-end balances.

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

Recommendation: We recommend that management designate appropriate personnel to maintain the books and records of the School Board in accordance with GAAP. This would involve monthly reconciliations of accounts and providing interim reports to management and the Board throughout the year. In addition, we recommend that the School Board develop additional policies and procedures to resolve identified discrepancies in the month-end and year-end reconciled balances.

View of Responsible Official:

Management agrees, see corrective action plan.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2023-002: Internal Control Over Financial Reporting of Capital Assets and Capitalization of Project Costs Related to Depreciation Lives and Methods.

Criteria: The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process and report financial data consistent with the assertions embodied in the annual financial statements.

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

1. The School Board did not timely reconcile capital outlay expenditures to the accounting system's (MUNIS) fixed asset reporting module which includes the calculation of depreciation expense for financial reporting purposes.
2. The cost of facility improvements or construction of assets of the School Board is recorded by tag number in the MUNIS capital asset module. The School Board uses one tag number per school location, and as such, all additions or improvements after the original addition is recorded to this same tag number. The system calculates depreciation on the original useful life entered at the time of the original asset is placed in service. Depreciation expense is then accelerated over the remaining useful life without consideration of the extended useful life of the asset based on the additional asset improvements. This has resulted in the School Board having to manually track and calculate accumulated depreciation and depreciation expense for all of its depreciable assets.

Cause: A lack of adequate internal controls exists over the timely preparation and review of the schedules used in tracking and recording capital assets and those maintained by the MUNIS capital asset module. School Board personnel lack understanding of the system computations related to the calculation of depreciation expense.

Effect: Due to the inaccuracy of the underlying accounting records, inaccurate balances are presented and may be relied upon without understanding the impact on the schedules prepared and maintained by the School Board.

Recommendation: We recommend that communication between the purchasing and accounting functions be improved to ensure underlying records are properly maintained throughout the fiscal year. The School Board should also strengthen its controls including its reconciliation and review processes over the capital asset schedules and reporting in the MUNIS capital asset module. The School board should implement a system of tracking additions and improvements with separate tag numbers, and develop a process of evaluation of the assets remaining useful life based upon the addition and improvement conducted.

View of Responsible Official:

Management agrees, see corrective action plan.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

2023-003: Violation of Local Government Budget Act

Criteria: Louisiana Revised Statute 39:1311A(1-2) requires that the budget shall be amended when total revenue and other sources (including fund balance from the prior years) plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenue and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Condition: Expenditures and other uses of the School Board's General fund and Pass-through Fund, both major funds exceeded, the budgeted amounts by more than 5%.

Cause: Due to timing of the year end close out procedures and timing of the funding received, proper monitoring of budget to actual variances were not able to be performed.

Effect: The negative variances of more than five percent are a violation of Louisiana Revised Statute 39:1311A(1-2).

Recommendation: We recommend that management develop written procedures to occur in early June of each year for their review and analysis of major special revenue funds and its General Fund to ensure future compliance with the local government budget act.

View of Responsible Official:

Management agrees, see corrective action plan.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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

None identified

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
SUMMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

A. FINANCIAL STATEMENT AUDIT

2022-001: Internal Control Over Financial Reporting of Receivables and Payables

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

Current Year Status: **Partially resolved – See Finding 2023-001**

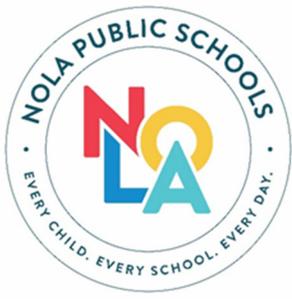
2022-002: Pooled Cash Fund Reconciliation

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

Current Year Status: **Resolved**

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

None Identified



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December 26, 2023

Tiffani M. Dorsa, CPA
 Audit Director
 Eisener Amper
 8550 United Plaza Blvd., Suite 1001
 Baton Rouge, LA 70809

Dear Tiffani,

Please see below the corrective action plan per the requirements of §200.516 for the audit findings related to the Orleans Parish School Board's FY2023 annual audit.

Finding	Corrective Action Plan	Contact Person(s)	Anticipated Completion Date
2023-001: Internal Control Over Financial Reporting of Reconciliations of Receivables, Revenue and Payables	<ul style="list-style-type: none"> Grant receivables are part of the monthly receivable close process as well as the year end close process. This close process is a coordination between grants management staff and accounting staff to ensure the timeliest information is analyzed and properly accounted for in accordance with GAAP. Utilizing MUNIS and improved receivables trackers with both LEA schools as well as direct district expenses allows for improved tracking of receivables and payables while grants are in the process cycle. Ad valorem and sales tax reconciliations will be added to the monthly close verification process in order to prevent year end issues with the timely confirmation of revenues with the City of New Orleans. 	Stuart Gay, CFO Nyeshia Veal, Comptroller Endia Bush, Sr. Accountant Martha Sharp, Grants Analyst Litouri Smith, ED of Grants Management Dejon Stewart, Sr. Accountant	June 30, 2024

<p>2023-002: Internal Control over Financial Reporting of Capital Assets and Capitalization of Project Costs Related to Depreciation Lives and Methods</p>	<ul style="list-style-type: none"> • The School Facility Preservation Program (SFPP) created several additional processes required to properly account for capital expenditures specifically those funded through the SFPP. In order to properly account for depreciation expense, MUNIS is being updated in the fixed asset module to correctly track and record individual assets, improvements to existing assets and works in progress so that depreciation can be automatically calculated in MUNIS. • The year end close process will include a thorough review of all capital projects and on a monthly basis project will be updated in the fixed assets module to reflect current activities. • MUNIS training will be conducted with finance and operations staff in order to best align current asset numbers with future needs and the taxonomy of the system will be adjusted as needed to properly record assets and track depreciation schedules. 	<p>Stuart Gay, CFO</p> <p>Don Leduff, COO</p> <p>Nyesha Veal, Comptroller</p> <p>Paul Lucius, ED of Procurement</p> <p>J. McGee Project Accountant</p> <p>John Holmes, ED of Capital Planning</p>	<p>June 30, 2024</p>
<p>2023-003: Violation of Local Government Budget Act</p>	<ul style="list-style-type: none"> • The expenses in the period were increased past the threshold of requiring a budget amendment due to the timing of the receipt and payment of deferred revenue. This large unforeseen increase in local funding occurred at the end of the fiscal year and past the date of remaining OPSB meetings. • In the future the finance team will work with the City of New Orleans to receive revenues timely as well as allow for enough time to distribute those general fund dollars to schools with an amended budget adopted by the OPSB. To accomplish this an estimate will 	<p>Stuart Gay, CFO</p> <p>Nyesha Veal, Comptroller</p> <p>Chase Story, Director of School Finance</p> <p>Chris Oats, Financial Analyst</p>	<p>June 30, 2024</p>

	be used in time for the June OPSB meeting if the actual revenues are not yet confirmed and if not the deferred revenue will be paid in the next fiscal year in order to avoid a violation of the Local Government Budget Act.		
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We appreciate the thoroughness of this audit and the recommendations for improving the accounting and operational functions of the District as we move forward. Should you have any questions or require any additional information please do not hesitate to contact me directly.

Sincerely,

Stuart M. Gay
Chief Financial Officer

cc: Olin Parker, OPSB President
Dr. Avis Williams, OPSB Superintendent

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ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

STATEWIDE AGREED-UPON
PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2023



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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Orleans Parish School Board (the School Board) for the fiscal period July 1, 2022 through June 30, 2023. The School Board's management is responsible for those C/C areas identified in the SAUPs.

The School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the School Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 of the School Board for the fiscal period July 1, 2022 through June 30, 2023. 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.

We are required to be independent of the School Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is intended 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.



EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2024

**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

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

No exceptions noted.

ii. ***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.

No exceptions noted.

iii. ***Disbursements***, including processing, reviewing, and approving

No exception noted.

iv. ***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).

No exception noted.

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

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

No exceptions noted.

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

No exceptions noted.

- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).

No exceptions noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The entity has written policies for ethics; however, the policies do not contain attributes (3) system to monitor possible ethics violations or (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

The entity has written policies for debt service; however, the policies do not contain attribute (3) debt reserve requirements.

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

No exception noted.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted.

2) Board or Finance Committee

- A. 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:

- i. Observe whether 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.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

General fund had a positive ending fund balance. No exception noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The board did not receive written updates at each meeting of the progress of resolving audit findings until the findings were considered fully resolved.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 16 bank accounts. Management identified the main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the operating account and 4 other accounts and obtained the bank reconciliations for the month ended March 31, 2023, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

A listing of deposit sites was provided. No exceptions were noted as a result of performing this procedure. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 deposit sites and performed the procedures below.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

- B. 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 (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 listing of collection locations for each deposit site selected in procedures §4A was provided and included a total of 13 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

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

For all locations selected for our procedures, the employee responsible for collecting cash also prepares/makes the bank deposit as well as reconciles collection documentation.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

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

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

In all instances School Board personnel with access to cash are not bonded and/or covered under the entity's insurance policy.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

We randomly selected 6 deposit dates for each of the 3 bank accounts selected in procedures #3A. We obtained supporting documentation for each of the 6 deposit and performed the procedures below:

- 1) Observe that receipts are sequentially pre-numbered.
No exceptions noted.
- 2) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- 3) Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- 4) 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 and the cash is stored securely in a locked safe or drawer).
No exceptions noted.
- 5) Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

5) *Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 5 locations identified and performed the procedures below.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
- ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
For all disbursements selected for testing, the employee mailing checks is also responsible for processing payment.
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions noted.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

For all disbursements selected for testing, the employee mailing checks is also responsible for processing payment.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.



**ORLEANS PARISH SCHOOL BOARD
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- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we haphazardly selected 5 cards used in the fiscal period. We haphazardly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exceptions noted.

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

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected 10 transactions, or all transactions if less than 10 from each statement and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified 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). No exceptions noted.



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

- A. 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 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listed provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. 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 Policies and Procedures”, procedure #1A(vii); and

No exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and



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JUNE 30, 2023**

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and



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JUNE 30, 2023**

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
No exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exceptions noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
No exceptions noted.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were notes as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures.

No exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.



**ORLEANS PARISH SCHOOL BOARD
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
JUNE 30, 2023**

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure “Payroll and Personnel” procedure #9A, above obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
No exceptions noted.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
No exceptions noted.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.
No exceptions noted.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedures.
Entity has no outstanding bonds/notes as of the fiscal period end.



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12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions noted.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.



**ORLEANS PARISH SCHOOL BOARD
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- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management. Three of the terminated employees selected had not been removed or disabled from the network.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

No exceptions noted.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

- v. Amount of time it took to resolve each complaint.

No exceptions noted.



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Management has reviewed and will address the exceptions noted above.

The Orleans Parish School Board (School Board) provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below.

Written Policies & Procedures

- 1.ix.) Ethics: The School Board will review the current policy and draft modifications to include missing attributes. It is not clear from the Agreed Upon Procedure what an acceptable “system” is so one will be researched and presented for inclusion. Finance will work with Human Resources to include changes to the OPSB’s ethics policy in either all staff communications or some other form of organization wide notification.
- 1.x.) Debt Service – The OPSB has a Debt Limitation Policy (DEA) that states that “The School Board may incur debt and issue bonds for the purposes of acquiring and/or improving lands, purchasing, erecting and/or improving school buildings, and/or for other purposes allowed by state law which, including the existing bonded debt of the School Board for all bonded purposes, may not exceed thirty-five per centum (35%) of the assessed valuation of all property as ascertained by the last assessment for the parish.” The Finance department will review debt service requirement language from other school districts to update the current policy as needed.

Board Minutes

- 2.iv.) The School Board was not provided with written updates at each meeting on the progress of resolving audit findings according to management’s corrective action plan until the findings were considered fully resolved. The finance department will work to inform the board committee on the current status of audit findings until they are considered fully resolved.



**ORLEANS PARISH SCHOOL BOARD
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Collections (excluding electronic funds transfers)

- 4.B.ii.) The School Board's Finance department and Operations department will work through amending the current practice of cash collections for school food service in order to eliminate cash collections thereby stopping the employee responsible for collecting cash from making bank deposits. The process change will be reinforced in the interim with a meeting with School Food Service management to ensure the current practice is stopped.
- 4.C.) The School Boards employees are covered under the current insurance policies for crime insurance but are not bonded. Confirmation of the coverage in place will be reviewed with the Executive Director of Risk Management in order to ensure proper coverage in accordance with State AUPs.

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

- 5.B.iv.) The School Board's management will review the current process for mailing checks. MUNIS provides approval processing through the system so the signatures are generated automatically on approved payments moving through the system. A check can't be sent that is not approved by the Comptroller and CFO as well as approved by the CFO for Chase batch processing so little fraud exposure is possible by mailing checks. The payment process is a multi-step process involving adequate checks and balances. If an additional unrelated staff member is needed to mail checks then one will be selected and added to the current process.
- 5.C.ii.) The School Board's management will review the current process for mailing checks. MUNIS provides approval processing through the system so the signatures are generated automatically on approved payments moving through the system. A check can't be sent that is not approved by the Comptroller and CFO as well as approved by the CFO for Chase batch processing so little fraud exposure is possible by mailing checks. The payment process is a multi-step process involving adequate checks and balances. If an additional unrelated staff member is needed to mail checks then one will be selected and added to the current process.



LETTER TO MANAGEMENT

Management of the
Orleans Parish School Board
New Orleans, Louisiana

We have audited the financial statements of the Orleans Parish School Board (the School Board) for the year ended June 30, 2023, have issued our report thereon dated January 2, 2024. Professional standards suggest that we provide you with the following information related to our audit.

In planning and performing our audit of the financial statements of the governmental activities and business-type activities, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Orleans Parish School Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Orleans Parish School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Orleans Parish School Board's internal control.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

Also, in accordance with *Government Auditing Standards*, we considered 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, during the course of our audit, we became aware of certain matters that are opportunities for strengthening internal controls or operating efficiencies or instances of immaterial non-compliance. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated January 2, 2024, on the financial statements of the School Board or the School Board's internal control over financial reporting.

ML 2023-001**Information System Control Environment****Condition:**

The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate. Management did not complete formal user access reviews for in-scope systems and applications and a terminated user was still active on the active user listing. It was also found that there were employees who had various levels of rights within the Enterprise ERP applications that were not required to complete their job functions. **A portion of this comment was repeated from the prior year. See ML 2022-002.**

Recommendations:

The School Board should consider implementing periodic formal user access review process for in-scope systems and applications. The process should be completed by employee(s) that are not user administrator(s) of the system under review, on at least an annual basis. In addition, all terminated users should be removed from the active user directory in a timely manner. The School Board should also review user access at least annually to ensure employee access is appropriate for job duties required of them.

Management Response:

The Operations department will complete formal user access reviews for in-scope systems and applications annually by June of each year in order ensure terminated users are inactive in the user listing. Human Resources and Operations will coordinate on change to employment status and/or position changes to properly communicate modifications to systems needs of employees.

ML 2023-002**Review of Policies and Procedures over Ethics****Condition:**

The Legislative Auditor has prescribed statewide agreed-upon procedures which include procedures to obtain and inspect the School Boards's written policies and procedures and observe they address specific items within these areas. Upon review of the School Board's policies and procedures over ethics, we noted the policies did not address whether there is a system to monitor ethics violations and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of changes to the School Board's ethics policy. **This is a repeat comment from the prior year. See ML 2022-004.**

Recommendations:

The School Board should review its current ethics policy and consider the inclusion of the items suggested by the Louisiana Legislative Auditor.

Management Response:

The School Board's management was delayed in bringing policy revisions to the Ethics sections of policies and procedures, however, as of November 2023 the updated required policies have been adopted by the OPSB.



ML 2023-003

Enhancing Internal Control Over Cash Collections at School Lunch Locations

Condition:

Proper segregation of duties would require 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. We noted during our review of procedures at school lunch locations, that the individual that is responsible for collecting cash is also responsible for preparing and making the bank deposits, as well as, reconciling the collections to the bank deposits. While the receipt of cash is not significant to the operations of the School Board, there is an opportunity for misappropriation. **This is a repeat comment from the prior year. See ML 2022-005.**

Recommendations:

The School Board should review its current procedures and ensure that proper segregation of duties over handling and depositing cash exists with collections of cash.

Management Response:

The Operations department and Finance department are working on revised operating agreement with schools whereby cash is no longer collected at the school site. There is very little collected in cash and removing this would eliminate the need for staff functions in this process.

ML 2023-004

Investment Compliance – Maturities and Policy Limits

Condition:

The School Board's current investment policy limits 50% of its total portfolio in pooled investment accounts. At June 30, 2023, the School Board had 75.8% of its allocated investments in the Louisiana Asset Management Pool (LAMP). This is a violation of its current established policy. **This is a repeat comment from the prior year. See ML 2022-006.**

Recommendations:

The School Board should ensure future compliance with the established policy or review the policy to determine whether it is meeting the needs of the School Board and if changes are needed.

Management Response:

The School Board will bring a policy revision to the OPSB in order raise the amount of investments in Local Government Investment Pools (LGIPs) to 100%. The Louisiana Asset Management Pool (LAMP) allows for 24-hour liquidity as well as competitive rates given the current market conditions so allocating investments into this source is of a fiduciary benefit to the OPSB. Additionally, the 73.5% of allocated investments in LAMP as of June 30, 2022, was related to the payback timing of the Revenue Anticipation Note (RAN) and cash assets had to be available to repayment but should earn available interest while waiting for aforementioned repayment.



ML 2023-005

Financial Audits of Sub-recipients of Federal Awards

Condition:

The School Board obtains audit reports for sub-recipients of federal awards which are passed through by the School Board. The collection and review of these documents are done by the Finance Department. However, these reports are not being reviewed by Federal program personnel as part of their monitoring processes. We recommend these reports be shared with Federal program personnel annually for their review and follow-up on identified findings which may be reported in the sub-recipient's report over compliance and internal control over its major Federal programs. In the current fiscal year, there were no findings which would require follow-up procedures by Federal program personnel. **This is a repeat comment from the prior year. See ML 2022-007.**

Recommendations:

The School Board should work with Federal program personnel to determine what procedures should be in place to ensure reports are being obtained and provided on an annual basis and whether follow-up with sub-recipients are needed and occurring. In addition, a audit trail documenting these procedures should exist and made available during the annual audit over compliance with Federal programs.

Management Response:

The reorganization of the Finance department included additional processes that would occur with the Federal Programs team within the Finance department. There is no separate office for Federal Programs and as such the communication of critical information should flow freely between staff. This has been addressed and has been implemented with the new ED of Grants Management and the Comptroller and will continue to improve with procedures that have more ongoing reconciliations and internal audit functions.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various governmental unit personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the board of directors and management, and others within, and is not intended to be, and should not be, used by anyone other than these specified parties.



EISNERAMPER LLP
Baton Rouge, Louisiana
January 2, 2024



Status of Prior Year Management Letter Comments

ML 2022-001 Federal Procurement Policies

Condition: Under Title 2, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal awards (Uniform Guidance), all non-Federal entities must follow the procurement standards in sections 200.318 through 200.327. Section 200.318 includes general procurement standards including documented procurement procedures, consistent with State and local laws and regulations and the procurement standards identified in 200.317 through 200.327. While reviewing the procurement policy of the School Board we noted it lacked references to federal procurement regulations or written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. Established procedures do not specifically address consideration of acquisitions of unnecessary duplicative items. **This was a repeated comment from the prior fiscal year.**

Recommendation: We recommend the School Board complete its review its existing procurement policy and ensure it includes all necessary language to comply with federal regulations.

Management Response:

NOLAPS management was delayed in bringing policy revisions to the OPSB for Federal Procurement, however, as of November 2022 the updated required policies under Title 2, Part 200 have been adopted by the OPSB.

Follow Up on Management Response: *This matter was resolved in the current year based on testing performed.*

ML 2022-002 Information System Control Environment

Condition: The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate. Management did not complete formal user access reviews for in-scope systems and applications and a terminated user was still active on the active user listing. **A portion of this comment (formal user access reviews) was repeated from the prior fiscal year.**

Recommendations: The School Board should consider implementing periodic formal user access review process for in-scope systems and applications. The process should be completed by employee(s) that are not user administrator(s) of the system under review, on at least an annual basis. In addition, the School Board should consider documenting any identified issues and evidence of remediation, as necessary. In addition, all terminated users should be removed from the active user directory in a timely manner.



Management Response:

The Operations department will complete formal user access reviews for in-scope systems and applications annually by June of each year in order ensure terminated users are inactive in the user listing. Human Resources and Operations will coordinate on change to employment status and/or position changes to properly communicate modifications to systems needs of employees.

Follow Up on Management Response: *This matter was not resolved in the current year based on testing performed. Based upon the testing performed, and other matters noted we have elevated this matter to a financial statement internal control finding. See Finding 2023-001.*

ML 2022-003 Ensuring the Accuracy of Data Input in the Accounting Software over Property, Plant and Equipment

Condition: As the School Board has begun to more fully utilize its accounting system to record capitalization and depreciation of its fixed assets, controls should be enhanced to include an internal review of the input of costs, useful lives, and type of asset and performance of a recalculation of a sample of the outputs based on the date entered (placed in service) for accuracy. We noted that certain assets placed in service in prior years was not appropriately calculating the accumulated depreciation based on the date placed in service and resulted in a prior period restatement.

Recommendations: The School Board should consider enhancing its internal controls over data input into its accounting software for fixed assets to include a review of a sample of outputs to ensure the accuracy and completeness of the data entered as noted above.

Management Response:

The Finance department has increased dedicated staffing in the form of a Property Accountant as well as enhanced procedures related to the treatment of capital tracking of OPSB assets. This includes year end works in progress (WIP) accounting that involves communication with the Operations department and expanded utilization of MUNIS to improve financial reporting of PP&E.

Follow Up on Management Response: *This matter was not resolved in the current year based on testing performed. Based upon the testing performed, and other matters noted we have elevated the this matter to a financial statement internal control finding. See Finding 2023-002.*

ML 2022-004 Review of Policies and Procedures over Ethics

Condition: The Legislative Auditor has prescribed statewide agreed-upon procedures which include procedures to obtain and inspect the School Board's written policies and procedures and observe they address specific items within these areas. Upon review of the School Board's policies and procedures over ethics, we noted the policies did not address whether there is a system to monitor ethics violations and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of changes to the School Board's ethics policy.

Recommendations: The School Board should review its current ethics policy and consider the inclusion of the items suggested by the Louisiana Legislative Auditor.



Management Response:

NOLAPS management was delayed in bringing policy revisions to the Ethics sections of policies and procedures, however, as of November 2022 the updated required policies have been adopted by the OPSB.

Follow Up on Management Response: *This matter was partially resolved in the current year based on testing performed. However, Management did not implement all of the required policies as required by the Legislative Auditor. See MLC 2023-002.*

ML 2022-005 Enhancing Internal Control Over Cash Collections at School Locations

Condition: Proper segregation of duties would require 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. We noted during our review of procedures at school lunch locations, that the individual that is responsible for collecting cash is also responsible for preparing and making the bank deposits, as well as, reconciling the collections to the bank deposits. While the receipt of cash is not significant to the operations of the School Board, there is an opportunity for misappropriation.

Recommendations: The School Board should review its current procedures and ensure that proper segregation of duties over handling and depositing cash exists with collections of cash.

Management Response:

The Operations department and Finance department are working on revised operating agreement with schools whereby cash is no longer collected at the school site. There is very little collected in cash and removing this would eliminate the need for staff functions in this process.

Follow Up on Management Response: *This matter was not resolved in the current year based on testing performed. There was no evidence of Management changing cash collection procedures occurring at the various school locations. See MLC 2023-003.*

ML 2022-006 Investment Compliance – Maturities and Policy Limits

Condition: The School Board's current investment policy limits 25% of its total portfolio in pooled investment accounts. At June 30, 2022, the School Board had 73.5% of its allocated investments in the Louisiana Asset Management Pool (LAMP). This is a violation of its current established policy.

Recommendations: The School Board should ensure future compliance with the established policy or review the policy to determine whether it is meeting the needs of the School Board and if changes are needed.

Management Response:

NOLAPS will bring a policy revision to the OPSB in order raise the amount of investments in Local Government Investment Pools (LGIPs) to 100%. The Louisiana Asset Management Pool (LAMP) allows for 24-hour liquidity as well as competitive rates given the current market conditions so allocating investments into this source is of a fiduciary benefit to the OPSB. Additionally, the 73.5% of allocated investments in LAMP as of June 30, 2022, was related to the payback timing of the Revenue Anticipation Note (RAN) and cash assets had to be available to repayment but should earn available interest while waiting for aforementioned repayment.



Follow Up on Management Response: *This matter was partially resolved in the current year based on testing performed. Management made a change in investment policy, raising the amount allowable to 50%, up from 25%, however this was still less than allocated investment pool in LAMP. See MLC 2023-004.*

ML 2022-007

Financial Audits of Sub-recipients of Federal Awards

Condition:

The School Board obtains audit reports for sub-recipients of federal awards which are passed through by the School Board. The collection and review of these documents are done by the Finance Department. However, these reports are not being reviewed by Federal program personnel as part of their monitoring processes. We recommend these reports be shared with Federal program personnel annually for their review and follow-up on identified findings which may be reported in the sub-recipient's report over compliance and internal control over its major Federal programs. In the current fiscal year, there were no findings which would require follow-up procedures by Federal program personnel.

Recommendations:

The School Board should work with Federal program personnel to determine what procedures should be in place to ensure reports are being obtained and provided on an annual basis and whether follow-up with sub-recipients are needed and occurring. In addition, a audit trail documenting these procedures should exist and made available during the annual audit over compliance with Federal programs.

Management Response:

The reorganization of the Finance department included additional processes that would occur with the Federal Programs team within the Finance department. There is no separate office for Federal Programs and as such the communication of critical information should flow freely between staff. This has been addressed and has been implemented with the new ED of Grants Management and the Comptroller and will continue to improve with procedures that have more ongoing reconciliations and internal audit functions.

Follow Up on Management Response: *This matter was not resolved in the current year based on testing performed. There was no evidence presented during tested that the financial audits of sub-recipients of federal awards were obtained. See MLC 2023-005.*

