

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

Financial Statements and Schedules

June 30, 2014



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School Board Members

Ira H. Thomas, Sr.	District 1	
Cynthia Cade	District 2	
Sarah Usdin	District 3	Vice President
Leslie Ellison	District 4	
Seth Bloom	District 5	
Woody Koppel	District 6	
Nolan Marshall, Jr.	District 7	President

Officers are elected for a term of one calendar year by Board Members. The 2014 officers are shown above.

Administrative Officials

Stanley C. Smith	Interim Superintendent
Rosalynne Dennis, Ph.D.	Chief Academic Officer
Kathleen Padian	Deputy Superintendent of Charter Schools
Armand Devezin, Ph.D.	Chief of Staff
Wayne M. DeLarge	Chief Financial Officer

Departmental Executive Directors

Ed Morris	General Counsel
Leslie Rey	Purchasing/Ancillary Services
Herman Taitt	Operations
Nicolette London	Federal Programs and Grants
Armer A. Bright	Disadvantaged Business Enterprise

Orleans Parish School Board

SUPERINTENDENT'S OFFICE

3520 General DeGaulle Drive * Suite #5055 * New Orleans, Louisiana * 70114
(504) 304-5660 office (504) 309-2865 fax



Stanley C. Smith, Interim Superintendent

December 16, 2014

The President and Board Members
Orleans Parish School Board

The Orleans Parish School Board continues to work to improve the school system in all areas from academics to finance. The City of New Orleans continues to struggle with high poverty and crime but at the same time is making remarkable progress in redevelopment and is recognized as one of the fastest growing cities in the United States. All recognize that providing a quality education system is a key to continued recovery.

The Orleans Parish School Board (OPSB) has overseen the activities of the Superintendent and administration in rebuilding the academic standing of the school system and the achievement of its students. Academic achievement in the direct run and charter schools continues to improve, and we continue to improve in the management of operations and finance. Following is a recap of the major activities and accomplishments of the OPSB and its schools:

DEMOGRAPHICS

- District student enrollment for the 2014-15 school year has increased to 12,886 students. Nine percent of these students are special needs students and sixty-seven percent are at risk.
- The Orleans Parish School Board (OPSB) operates 6 direct run schools, 2 programs for adjudicated youth, and has oversight of 14 charter schools.
- The OPSB coordinates services for 77 non-public schools.
- The OPSB provides child nutrition services for 23 schools in Orleans Parish.

ACADEMIC RANKINGS

- OPSB schools rank #2 in Louisiana.
- OPSB has an "A" letter grade and district performance score of 109.2.
- Eighty-three percent of OPSB schools have an "A" or "B" letter grade.
- OPSB schools rank #3 in Louisiana with a graduation rate of 89.3 percent.
- OPSB students with disabilities graduate with a high school diploma at 2 times the state average, also exceeding the 2012-2013 state target.
- Four OPSB schools received the prestigious designation as high performing, high poverty schools.

*"Success is the **ONLY OPTION!**"*

- Bethune Elementary, Hynes Elementary, and Warren Easton High Schools received OPEN awards for 2014-15 year.
- Two schools are designated as a National Blue Ribbon School by the U.S. Department of Education.
- ACT composite score of 19.9 surpassed the state average.
- Eighty-two percent of OPSB teachers meet the "Highly Qualified" definition.

COMPASS AND COMMON CORE

- Ninety-five percent of teachers overall received effective proficient or highly effective Compass ratings.
- Less than two percent of all teachers are ineffective (including Value Added & non-Value Added teachers).
- One hundred percent of teachers received Common Core training with monthly follow-up and support to schools.
- Common Core Collaborative Team* (teachers, administrators, coaches and district staff) has been established for OPSB schools.
- Data Summits for school leadership teams have been established.

COMPETITIVE GRANTS RECEIVED

- Kellogg Grant
- 21st Century Grant
- Striving Readers Comprehensive Literacy Grant
- Chevron Project Lead the Way (PLTW) Grant
- Believe and Succeed
- Investing in Innovation
- Walton Foundation
- Close Up Grant
- Innovative Approach to Literacy
- School Climate and Transformation

CHARTER INITIATIVES

- Developed citywide charter authorizer strategic priorities, based on comprehensive assessment of school portfolio and analysis of demographic factors and areas of need.
- Two new charter schools approved for initial openings in Fall 2015.
- One RSD Type 5 charter school (Dr. Martin Luther King School) elected to return to local control, effective July 1st, 2015.
- Completed adoption and initial implementation of OPSB Charter School Performance Framework, including academic, financial, and organizational standards for all charter schools.

*"Success is the **ONLY OPTION!**"*

- Supported implementation of Cooperative Endeavor Agreement (CEA) with RSD, including initial rollout of Youth Opportunity Center (YOC) and first round of grants from the Citywide Exceptional Needs Fund (CENF).

OPERATIONS AND FINANCE

- Over \$170 million of school facilities master plan projects are in construction, including the following:
 - New McDonogh 35 High School
 - New Alice Harte Elementary School
 - New Lake Forest Elementary School at Greater St. Stephens
 - New Robert R. Moton Elementary School at North Kenilworth
 - Renovation and addition to Audubon facility on Broadway
 - New gym at Eleanor McMain Secondary School
 - New Bradley Elementary School will house Mary McLeod Bethune Elementary
- Sold 8 properties at auction providing \$3.9 million to fund capital projects.
- Developed effective DBE Program for disadvantaged businesses to aid in securing subcontract work and improving their skills. From July 2012 to present, DBE contractors have obtained subcontracts amounting to \$46,000,000. Over 45 local DBE businesses benefited directly or indirectly from this program through subcontract work and DBE training programs.
- Closed a New Market Tax Credit (NMTC) transaction that provided funding for the school facilities master plan. The NMTC program promotes investment in businesses and real estate developments that serve low-income communities, fosters the construction and rehabilitation of real estate and the expansion of jobs, economic activity and quality of services in these communities.
- Implemented Comprehensive Annual Financial Report software for improved reporting and audit compliance.
- Automated fixed asset reporting from multiples sites.
- Continue to operate with a balanced budget and ended the current fiscal year with an increase in the amount of \$574,000 in fund balance.
- OPSB continues to participate in the One App common enrollment process and championed several policy changes to improve the process.

The Orleans Parish School Board continues to commit to creating a world-class public education system that is child centered and supports the rebuilding of the City of New Orleans.

Respectfully,



Stanley C. Smith, Interim Superintendent

*"Success is the **ONLY OPTION!**"*



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Independent Auditor's Report

To the Orleans Parish School Board
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Orleans Parish School Board (School Board) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following discretely presented component units which represent 76%, 75% and 69%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units: Bricolage Academy, Encore Learning, Homer A. Plessy Community School, Hynes Charter School, InspireNOLA Charter Schools - Alice M. Harte Elementary and Edna Karr High School, Lusher Charter School, New Orleans Charter Science and Math High School, Robert Russa Moton Charter School, and Warren Easton Senior High School. These financial statements were audited by other auditors whose reports thereon were furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

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The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Orleans Parish School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and other post-employment benefits information on pages 4 through 12 and 70 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014 on our consideration of Orleans Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

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

A Professional Accounting Corporation

Metairie, LA
December 4, 2014

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

Overview and Analysis of Financial Activities

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

Our discussion and analysis of the School Board's financial performance includes a section entitled *Financial Highlights* which provides an overview of its financial activities for the fiscal years ended June 30, 2014 and 2013. This discussion and analysis should be read in conjunction with the Annual Financial Report's Letter of Transmittal in the Introductory Section, the School System's Financial Statements (Financial Section) and the Notes to the Financial Statements.

Financial Highlights

- As of June 30, 2014, the School Board reported consolidated net position of \$286.5 million, which is an increase of \$115.7 million from the June 30, 2013, balance of \$170.8 million.
- As of June 30, 2014, the School Board reported General Fund fund balance of \$47.5 million. This represents an increase of \$573,687 from the June 30, 2013, balance of \$46.9 million. The increase is due to an increase in revenues. Expenses also increased due to increased payments to the Recovery School District (RSD) and charter schools.
- For fiscal year 2014, Ad Valorem Tax Revenues, including the gross up for fees, totaled \$136.8 million. This represents an increase of \$3.1 million over the previous year.
- Sales Tax Revenues totaled \$113.7 million, which represents an increase of \$5.6 million from the prior year.
- The Minimum Foundation Program (MFP) distribution from the State of Louisiana totaled \$51.5 million for fiscal year 2014. Louisiana funds public education through a block grant known as the Minimum Foundation Program, or MFP. The MFP formula is developed and approved annually by the Louisiana State Board of Elementary and Secondary Education.
- During fiscal year 2014, expenditures on Federal and State awards totaled \$126.1 million. The four largest grants were as follows: (1) U.S. Department of Homeland Security (FEMA Disaster Relief Program) = \$79.5 million; (2) U.S. Department of Housing and Urban Development (CDBG) = \$13.2 million; (3) U.S. Department of Education, No Child Left Behind, Title I = \$15.1 million and (4) U.S. Department of Education, Individuals with Disabilities and Exceptionalities, IDEA Part B = \$6 million. These expenditures benefit OPSB students, OPSB Charter School students and non-public students.
- Principal payments on bonds and notes payable totaled \$15.1 million. Additionally, interest payments of \$14.7 million were made.
- As of June 30, 2014, the School Board had total Long-Term debt of \$205.4 million. This is comprised of the following: (1) Bonds, Notes and Loans of \$153.8 million; (2) Bond Premium of \$5.2 million; (3) Accrued interest payable of \$2.1 million; (4) Compensated absences of \$7.8 million; (5) Claims payable of \$35.7 million and (6) OPEB Obligation payable of \$885,000.

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

Management's Discussion and Analysis

- As of June 30, 2014, the School Board had a fund balance of \$37.2 million in its Debt Service funds. The components are as follows: (1) General Obligation Bonds = \$19.5 million; (2) Refunding Bonds = \$6 million and (3) QSCB Bonds = \$11.7 million. These funds are dedicated by Board action to the repayment of the related outstanding debt.
- As of June 30, 2014, the School Board had a net investment in capital assets, book value less accumulated depreciation, of approximately \$359.1 million. The long-term debt plus accrued interest on these capital assets totaled \$162.3 million. The difference between the net investment in capital assets, net of related debt represents a surplus of approximately \$196.8 million.
- Capital project expenditures during fiscal year 2014, for both major construction and repair and maintenance projects totaled \$91.4 million.
- At June 30, 2014 the component units (i.e., the fourteen charter schools) had a net position of \$61.6 million. Additionally, revenue for the current fiscal year totaled \$111 million.

Using this Annual Financial Report

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

Government-Wide Financial Statements (pages 14 through 17) include the Statement of Net Position and Statement of Activities, which provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. In summary, the Government-Wide Financial Statements show the results of operations and financial position using the total economic resources measurement focus and the accrual basis of accounting which emphasizes the long-term financial picture and are very similar to the financial statements of the private sector.

The Fund Financial Statements (pages 19 through 29) represent information for three fund categories - governmental, proprietary and fiduciary. Financial statements for governmental funds tell how we financed our services in the short-term as well as what remains for future spending. These fund statements provide the reader with some insight into the School Board's overall financial health. In short, the fund-level financial statements show the results of operations and financial position using the current financial resources measurement focus and the modified accrual basis of accounting, emphasizing the change in fund balances as a result of the current year's operations, as well as the amount of resources available to spend.

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

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

Management's Discussion and Analysis

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

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

Other sections include Notes to the Financial Statements (pages 31 through 68) and certain Required Supplementary Information (pages 70 through 76). Included in the Required Supplementary Information is a comparison of the General Fund budget with actual results on pages 70 through 71. Over the course of the year, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures.

Reporting on School Board as a Whole

Government-Wide Financial Analysis

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

Table 1
Condensed Comparative Statement of Net Position (In Thousands)
At: June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)	Increase (Decrease)
	2014	2013	2014	2013	2014	2013	Amount	Percent
Current and Other Assets	\$ 242,164	\$ 218,645	\$ (6,598)	\$ 945	\$ 235,566	\$ 219,590	\$ 15,976	7.28 %
Capital Assets, Net	218,557	148,658	6,933	6,130	225,490	154,788	70,702	45.68 %
Loan Receivable and Accrued Interest	-	-	13,835	6,973	13,835	6,973	6,862	nm
Long-Term Receivable RSD	133,573	134,097	-	-	133,573	134,097	(524)	(0.39) %
Total Assets	594,294	501,400	14,170	14,048	608,464	515,448	93,016	18.05 %
Current and Other Liabilities	116,332	103,728	153	83	116,485	103,811	12,674	12.21 %
Long-Term Liabilities	205,432	240,811	-	-	205,432	240,811	(35,379)	(14.69) %
Total Liabilities	321,764	344,539	153	83	321,917	344,622	(22,705)	(6.59) %
Net Position:								
Net Investment in Capital								
Assets	189,782	93,174	6,933	6,130	196,715	99,304	97,411	98.09 %
Restricted	107,612	237,667	-	-	107,612	237,667	(130,055)	(54.72) %
Unrestricted	(24,864)	(173,980)	7,084	7,835	(17,779)	(166,145)	148,366	(89.30) %
Total Net Position	\$ 272,530	\$ 156,861	\$ 14,017	\$ 13,965	\$ 286,547	\$ 170,826	\$ 115,721	67.74 %

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

Management's Discussion and Analysis

The School Board's net position was \$286.6 million at June 30, 2014, and \$170.8 million at June 30, 2013. Of which, \$(17.8) million and \$(166.1) million were unrestricted at June 30, 2014 and 2013, respectively. Restricted net position is reported separately to show legal constraints from debt covenants, capital projects and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. As of June 30, 2014 and 2013, the restricted net position amounted to \$107.6 million and \$237.7 million respectively.

Current and other assets increased from June 30, 2013 to June 30, 2014, by \$16 million. The primary reasons for the increase are an increase in Cash pursuant to additional litigation settlements, an increase in Amounts Due from Other Governments and an additional \$7 million loan receivable for the re-building of McDonogh 42 Elementary School.

Net capital assets increased from June 30, 2013 to June 30, 2014, by \$70.7 million primarily due to construction on new school sites to accommodate the city's master plan. (See Note 2, Summary of Significant Accounting Policies and Note 6, Capital Assets in the accompanying financial statements for additional discussion regarding depreciation methods and related accumulated depreciation). The June 30, 2014, financial statements reflect \$133,572,675 of capital assets transferred to the RSD as a long-term receivable. This is a \$523,875 decrease from fiscal year 2013 due to the transfer of two sites back to the School Board from the RSD. The two sites were subsequently sold.

Current and other liabilities increased by \$12.7 million. This increase was due to an increase in Unearned Revenues pursuant to the receipt of insurance litigation settlements for distribution between the School Board and the RSD offset by decreases in most of the remaining liability items.

Long-term liabilities decreased by \$35.4 million. This net change is composed of decreases in long term obligations consisting of forgiveness of the \$8.6 million CDL loan, a \$9.1 million decrease in General Obligation Bonds, a \$6 million decrease in Refunding Bonds and an \$11.3 million decrease in Interest Payable due on all bonds.

**Table 2
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2014 and 2013**

Governmental Activities	Governmental Activities		Business-Type Activities		Total		Variance	Variance
	2014	2013	2014	2013	2014	2013	(Decrease) Amount	(Decrease) Percent
Revenues								
Program Revenues								
Charges for Services	\$ 918	\$ 583	\$ 1,546	\$ 1,572	\$ 2,464	\$ 2,155	\$ 309	14.34 %
Operating Grants	36,980	43,761	-	-	36,980	43,761	(6,781)	(15.50) %
Capital Grants	100,730	9,296	-	-	100,730	9,296	91,434	983.58 %
Total Program Revenues	138,627	53,640	1,546	1,572	140,173	55,212	84,961	153.88 %
General Revenues								
Ad Valorem	136,834	133,691	-	-	136,834	133,691	3,143	2.35 %
Sales Taxes	113,721	108,119	-	-	113,721	108,119	5,602	5.18 %
State Revenue Sharing	2,720	2,455	-	-	2,720	2,455	265	10.79 %
Investment Earnings	136	176	155	26	291	202	89	44.15 %
Internal Service Funds Net Operating (Loss)	-	-	-	-	-	-	-	nm
Minimum Foundation Program	51,497	46,048	-	-	51,497	46,048	5,449	11.83 %
CDL Debt Forgiveness	8,636	-	-	-	8,636	-	8,636	- %
CDL Refund	4,893	-	-	-	4,893	-	4,893	nm
Insurance Proceeds	12,831	-	-	-	12,831	-	12,831	nm
Other General Revenues	9,031	6,208	-	-	9,031	6,208	2,823	45.47 %
Total General Revenues	340,299	296,697	155	26	340,454	296,723	43,731	14.74 %
Total Revenues	\$ 478,926	\$ 350,337	\$ 1,702	\$ 1,598	\$ 480,627	\$ 351,935	\$ 128,692	36.57 %

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

Table 2 (Continued)
Condensed Comparative Statement of Activities (in Thousands)
For the Years Ended June 30, 2014 and 2013

Governmental Activities	Governmental Activities		Business-Type Activities		Total		Variance	Variance
	2014	2013	2014	2013	2014	2013	Increase (Decrease) Amount	Increase (Decrease) Percent
Functions/Program								
Instruction								
Regular Education Programs	15,197	16,615	-	-	15,197	16,615	(1,418)	(8.54) %
Special Education Programs	7,722	6,478	-	-	7,722	6,478	1,244	19.20 %
Other Educational Programs	20,962	27,252	-	-	20,962	27,252	(6,290)	(23.08) %
Support Services								
Student Services	6,947	6,057	-	-	6,947	6,057	890	14.69 %
Instructional Staff Support	8,983	7,479	-	-	8,983	7,479	1,504	20.11 %
General Administration	14,270	12,975	-	-	14,270	12,975	1,295	9.98 %
School Administration	3,122	3,009	-	-	3,122	3,009	113	3.75 %
Business Services	2,764	2,111	-	-	2,764	2,111	653	30.93 %
Student Transportation Services	4,096	3,942	-	-	4,096	3,942	154	3.91 %
Central Services	4,986	3,462	-	-	4,986	3,462	1,524	44.02 %
Plant Services	11,808	9,232	-	-	11,808	9,232	2,576	27.91 %
Other	10,241	21,915	-	-	10,241	21,915	(11,674)	(53.27) %
Food Services	6,051	5,453	-	-	6,051	5,453	598	10.97 %
Transfer to RSD Schools - Local MFP	153,982	126,860	-	-	153,982	126,860	27,122	21.38 %
Transfer to Charter Schools - Local and State	88,614	68,880	-	-	88,614	68,880	19,734	28.65 %
Interest on Long-Term Debt	2,621	5,031	-	-	2,621	5,031	(2,410)	(47.90) %
Transfer to Other LEA	-	-	1,307	16,962	1,307	16,962	(15,655)	nm
Rental Properties	-	-	1,233	1,275	1,233	1,275	(42)	(3.28) %
Total Expenses	362,366	326,751	2,540	18,237	364,906	344,988	19,918	5.77% %
Changes in Net Position Before Transfers	116,560	23,586	(839)	(16,639)	115,722	6,947	108,775	1,565.78 %
Transfers	(890)	(23,985)	890	23,985	-	-	-	- %
Changes in Net Position	115,670	(399)	51	7,346	115,722	6,947	108,775	1,565.78 %
Beginning Net Position	156,860	157,259	13,966	6,620	170,825	163,879		
Ending Net Position	\$ 272,530	\$ 156,860	\$ 14,017	\$ 13,966	\$ 286,547	\$ 170,826		

Total revenues for all governmental and business-type activities for the fiscal years ended June 30, 2014 and June 30, 2013, were \$512 million and \$352 million, respectively. The increase in total revenue in 2014 compared to 2013, is due to insurance settlement proceeds pursuant to litigation, \$4.9 million refunded from the Community Disaster Loan (CDL) pursuant to the loan forgiveness and significant FEMA reimbursements in fiscal year 2014 from the prior year.

As reported in the Statement of Activities (Table 2) the total cost of all governmental and business-type activities for the fiscal years ended June 30, 2014 and June 30, 2013, were \$364.9 million and \$345 million, respectively. The overall increase is mainly due to Transfers to Charter Schools, which increased \$61.2 million from the prior year, and Transfers to the RSD which increased \$27 million from the prior year. The transfer to the Charter schools represents their share of state MFP and local revenue share based on their student population. The transfer to the RSD schools represents their share of local revenues for the fiscal year based on the ratio of students serviced by each entity. The School Board continues to focus on the provisions of instructional and related support services aimed at all of its student population.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

Some of the costs were funded by those who benefited from the programs or by other governments and organizations who subsidized certain programs as reflected in operating grants revenues. The School Board funded the remaining "public benefit" portion of our governmental costs with revenues from Ad Valorem and Sales Taxes of \$250.6 million for 2014 and \$241.8 million for 2013. Additionally, \$51.5 million for 2014 and \$46 million for 2013, was provided from MFP funds. State revenue sharing funded the remaining "public benefit" governmental costs.

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

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

Description	For the Years Ended June 30,			
	2014		2013	
	Gross Cost of Services	Net Cost of Services	Gross Cost of Services	Net Cost of Services
GOVERNMENTAL ACTIVITIES				
Regular Education Programs	\$ 15,197	\$ (795)	\$ 16,615	\$ 13,947
Special Education Programs	7,722	(3,305)	6,478	3,033
Other Education Programs	20,962	(15,656)	27,252	536
Student Services	6,947	(4,058)	6,057	1,879
Instructional Staff Support	8,983	(6,001)	7,479	1,459
General Administration	14,270	(401)	12,975	11,456
School Administration Services	3,122	(99)	3,009	2,391
Business Services	2,764	(83)	2,111	1,844
Student Transportation Services	4,096	(206)	3,942	3,198
Central Services	4,986	(239)	3,462	2,955
Plant Services	11,808	(338)	9,232	8,152
Other	10,241	10,241	21,915	21,915
Food Services	6,051	(540)	5,453	(425)
Transfer to RSD Schools - Local MFP	153,982	153,982	126,860	126,860
Transfer to Charter Schools - Local and State MFP	88,614	88,614	68,880	68,880
Interest on Long-Term Debt	2,621	2,621	5,031	5,031
	<u>\$ 362,366</u>	<u>\$ 223,738</u>	<u>\$ 326,751</u>	<u>\$ 273,111</u>
BUSINESS-TYPE ACTIVITIES				
Rental Properties	\$ 1,233	\$ (313)	\$ 1,275	\$ (298)
Transfers to Other LEA	1,307	1,307	16,962	16,963
	<u>\$ 2,540</u>	<u>\$ 994</u>	<u>\$ 18,237</u>	<u>\$ 16,665</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 364,906</u>	<u>\$ 224,731</u>	<u>\$ 344,988</u>	<u>\$ 289,776</u>

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

Management's Discussion and Analysis

Overall, the net cost of services in fiscal 2014 decreased by \$65.0 million.

Reporting on the Individual Funds

Fund Financial Analysis

Our analysis of the School Board's major funds begins on page 19 of the basic financial statements. The Fund Financial Statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board has established other funds for particular purposes (such as the Child Nutrition) to help it control and manage or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as grants from the Department of Education). The School Board's funds (governmental, proprietary and fiduciary) use the following accounting approach:

Governmental Funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds through reconciliation to the basic financial statements, is described on page 23 of the financial statements.

Proprietary Funds - Proprietary funds for the School Board use the accrual basis of accounting, the same as on the government-wide statements. The Internal Service funds are used to account for the financing services provided by the School Board's departments, (such as employee health, retiree health and workers' compensation). The Enterprise Funds are used to account for the rental receipts and operating costs of a five story building owned by the School Board as well as a blended component unit that facilitates new market tax credit financing for the construction and renovation of school buildings. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows reports are presented on pages 24 through 27 of the basic financial statements.

Fiduciary Funds - The School Board is the trustee, or fiduciary, for its student activities funds. All of the School Board's fiduciary activities are reported in the separate Statements of Assets and Liabilities and Changes in Assets and Liabilities on pages 28 and 29 of the basic financial statements, respectively. We exclude these activities from the School Board's other financial statements because the assets cannot be utilized by the School Board to finance its operations.

Capital Asset and Debt Administration

Capital Assets

The School Board's capital assets include land, buildings and improvements, furniture and equipment, transportation equipment and construction-in-progress.

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

Management's Discussion and Analysis

A comparative analysis of capital assets as of June 30, 2014 and 2013, is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 14,466,997	\$ 16,983,743	\$ 1,440,992	\$ 1,440,992	\$ 15,907,989	\$ 18,424,735
Buildings and Improvements	160,072,702	164,726,224	5,919,001	4,994,491	165,991,703	169,720,715
Furniture and Equipment	11,740,438	11,299,075	-	-	11,740,438	11,299,075
Construction in Progress	107,882,664	35,589,091	-	-	107,882,664	35,589,091
	294,162,801	228,598,133	7,359,993	6,435,483	301,522,794	235,033,616
Accumulated Depreciation	(75,605,379)	(79,939,943)	(427,028)	(305,118)	(76,032,407)	(80,245,061)
Total	\$ 218,557,422	\$ 148,658,190	\$ 6,932,965	\$ 6,130,365	\$ 225,490,387	\$ 154,788,555

Overall net capital assets increased from June 30, 2013 to June 30, 2014, by a net amount of \$70,701,832. This increase reflects construction in progress pursuant to the City Of New Orleans' master plan to re-build schools. Additional information on Capital Assets can be found in Note 2, Summary of Significant Accounting Policies and Note 6, Capital Assets.

On November 6, 2008, the School Board approved a Master Plan for Orleans Parish school facilities. The Master Plan provides a blueprint for determining which school facilities will be rebuilt and which sites will be renovated. During October 2011, the School Board and RSD completed a revised Master Plan that incorporated cost savings made possible through the standardization of systems across all school facilities that will be constructed or rehabilitated. A complete copy of the Master Plan is available on the School Board's web site: www.opsb.us. Construction expenditures are anticipated to increase as more rebuilding projects will commence in fiscal year 2015.

Long-Term Debt

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

Pursuant to the requirements of LSA-R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of the taxable property (including homestead exempt and non-exempt property) within the Parish of Orleans. At June 30, 2014, the statutory debt limit for general obligation bonds is \$781,710,810, with a net legal debt margin of \$730,192,279.

Economic Factors and Next Year's Budget

The economic viability of the School Board is related primarily to the Ad Valorem and Sales Tax Revenues and MFP. For fiscal year 2014, the School Board reflected increased Ad Valorem and Sales Tax Revenues. Ad Valorem Tax increases reflect higher assessments. The Sales Tax base growth is attributable to commercial development inclusive of the Louisiana State University's medical complex center near the central business district and new retail developments including a Costco store.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Management's Discussion and Analysis

Contacting the School Board's Financial Management

This financial report is designed to provide the citizens, taxpayers, parents, students, investors and creditors with a general overview of the School Board's finances and to provide accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mr. Wayne M. DeLarge , Chief Financial Officer, telephone number 504-304-4185, 3520 General de Gaulle Dr., Ste. 5055, New Orleans, LA 70114-4000.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Position
June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents	\$ 186,319,736	\$ 7,548,396	\$ 193,868,132	\$ 48,918,229
Investments	-	-	-	8,144,305
Taxes Receivable				
Sales Taxes	20,310,790	-	20,310,790	-
Ad Valorem Taxes	2,406,410	-	2,406,410	-
Due from Other Governments	16,191,360	54,000	16,245,360	3,327,938
Internal Balances	14,200,437	(14,200,437)	-	-
Prepaid Items	1,463,131	-	1,463,131	666,623
Inventory	41,974	-	41,974	7,612
Other Receivables	1,229,983	-	1,229,983	1,237,578
Other	-	-	-	396,147
Long-Term Accounts Receivable - RSD	133,572,675	-	133,572,675	-
Loan Receivable and Accrued Interest	-	13,835,311	13,835,311	-
Capital Assets				
Land	14,466,997	1,440,992	15,907,989	-
Construction in Progress	107,882,664	-	107,882,664	-
Capital Assets, Net of Accumulated Depreciation	96,207,761	5,491,973	101,699,734	4,351,037
Total Assets	594,293,918	14,170,235	608,464,153	67,049,469
Liabilities and Net Position				
Liabilities				
Accounts Payable	20,173,216	94,586	20,267,802	2,925,001
Payroll Withholdings	53,134	-	53,134	-
Salaries Payable	342,375	-	342,375	861,159
Other Payables	2,842,057	58,474	2,900,531	879,421
Accrued Interest Payable	1,247,000	-	1,247,000	-
Due to Fiduciary Funds	351,236	-	351,236	-
Due to Other Governments	11,073,761	-	11,073,761	380,184
Unearned Revenues	62,543,270	-	62,543,270	181,023
Funds Held for Future Distribution	17,706,345	-	17,706,345	-
Long-Term Liabilities				
Bonds, Notes and Loans Due Within One Year	14,072,972	-	14,072,972	49,905
Bonds, Notes and Loans Due in More Than One Year	144,962,858	-	144,962,858	50,000
Interest Payable	2,065,636	-	2,065,636	-
Compensated Absences Due Within One Year	-	-	-	93,291
Compensated Absences Due in More Than One Year	7,793,051	-	7,793,051	-
OPEB Obligation Payable	885,000	-	885,000	-
Claims Payable Due Within One Year	-	-	-	-
Claims Payable Due in More Than One Year	35,652,190	-	35,652,190	-
Total Liabilities	321,764,101	153,060	321,917,161	5,419,984

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Net Position (Continued)
 June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities and Net Position (Continued)				
Net Position				
Net Investment in Capital Assets	189,781,631	6,932,965	196,714,596	4,351,037
Restricted - Nonspendable	-	-	-	130,574
Restricted for:				
School Food Service	41,974	-	41,974	-
Debt Service	37,256,500	-	37,256,500	-
Capital Projects	70,313,350	-	70,313,350	88,635
Instructional Services	-	-	-	565,785
Student Activities	-	-	-	440,240
Scholarships	-	-	-	224,431
Other	-	-	-	1,113,766
Unrestricted	(24,863,638)	7,084,210	(17,779,428)	54,715,017
Total Net Position	\$ 272,529,817	\$ 14,017,175	\$ 286,546,992	\$ 61,629,485

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Activities
Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
Instruction								
Regular Education Programs	\$ 15,196,874	\$ -	\$ 813,655	\$ 15,177,826	\$ 794,607	\$ -	\$ 794,607	\$ -
Special Education Programs	7,721,568	-	3,314,709	7,711,891	3,305,032	-	3,305,032	-
Other Education Programs	20,961,766	-	15,682,404	20,935,493	15,656,131	-	15,656,131	-
Support Services								
Student Services	6,946,863	266,309	3,800,312	6,938,156	4,057,914	-	4,057,914	-
Instructional Staff Support	8,982,741	-	6,011,898	8,971,482	6,000,639	-	6,000,639	-
General Administration Services	14,269,942	-	419,009	14,252,056	401,123	-	401,123	-
School Administration Services	3,121,943	-	102,785	3,118,030	98,872	-	98,872	-
Business Services	2,763,926	-	86,759	2,760,459	83,292	-	83,292	-
Student Transportation Services	4,096,178	12,507	198,855	4,091,043	206,227	-	206,227	-
Central Services	4,986,110	8,354	236,695	4,979,861	238,800	-	238,800	-
Plant Services	11,808,290	-	352,473	11,793,489	337,672	-	337,672	-
Food Services	6,051,146	630,642	5,960,000	-	539,496	-	539,496	-
Transfer to RSD Schools	153,982,428	-	-	-	(153,982,428)	-	(153,982,428)	-
Transfer to Charter Schools	88,613,863	-	-	-	(88,613,863)	-	(88,613,863)	-
Other	10,241,702	-	-	-	(10,241,702)	-	(10,241,702)	-
Interest on Long-Term Debt	2,621,318	-	-	-	(2,621,318)	-	(2,621,318)	-
Total Governmental Activities	362,366,658	917,812	36,979,554	100,729,786	(223,739,506)	-	(223,739,506)	-
Business-Type Activities								
Rental Properties	1,233,224	1,546,299	-	-	-	313,075	313,075	-
Transfer to Other LEA	1,307,050	-	-	-	-	(1,307,050)	(1,307,050)	-
Total Business-Type Activities	2,540,274	1,546,299	-	-	-	(993,975)	(993,975)	-
Total Primary Government	364,906,932	2,464,111	36,979,554	100,729,786	(223,739,506)	(993,975)	(224,733,481)	-
Component Units								
Audubon Charter School	7,831,073	-	-	-	-	-	-	(7,831,073)
Hynes Charter School Corporation	6,400,432	-	-	-	-	-	-	(6,400,432)
Lake Forest Elementary Charter School	5,368,997	-	-	-	-	-	-	(5,368,997)
Lusher Charter School	17,022,809	-	-	-	-	-	-	(17,022,809)
Einstein Charter School	8,877,251	-	-	-	-	-	-	(8,877,251)
Encore Learning	2,778,373	-	-	-	-	-	-	(2,778,373)
Robert Russa Moton Charter School	2,512,604	-	-	-	-	-	-	(2,512,604)
Warren Easton Senior High School	10,433,400	-	-	-	-	-	-	(10,433,400)
Ben Franklin High School	8,733,898	-	-	-	-	-	-	(8,733,898)
InspireNOLA Charter Schools	19,257,800	-	-	-	-	-	-	(19,257,800)
Homer A. Plessy Community School	1,008,710	-	-	-	-	-	-	(1,008,710)
Bricolage Academy	1,566,266	-	-	-	-	-	-	(1,566,266)
The New Orleans Charter Science and Mathematics High School	4,620,937	-	-	-	-	-	-	(4,620,937)
Total Component Units	96,412,550	-	-	-	-	-	-	(96,412,550)

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Activities (Continued)
Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Net Expenses from Previous Page					(223,739,506)	(993,975)	(224,733,481)	(96,412,550)
General Revenues								
Taxes								
Ad Valorem (Property) Taxes					136,834,464	-	136,834,464	-
Sales and Use Taxes					113,721,226	-	113,721,226	-
State Revenue Sharing					2,719,832	-	2,719,832	-
Minimum Foundation Program (MFP)					51,497,324	-	51,497,324	-
Minimum Foundation Program and Local Share					-	-	-	84,278,748
Orleans Parish School Board, State and Other Grants and Contracts					-	-	-	12,422,072
Interest and Investment Earnings					135,717	155,469	291,186	94,875
Insurance Proceeds					12,830,745	-	12,830,745	-
Miscellaneous					9,030,517	-	9,030,517	7,486,918
Extraordinary item - Community Disaster Loan forgiveness					8,636,118	-	8,636,118	-
Extraordinary item - Community Disaster Loan refund					4,892,601	-	4,892,601	-
Transfers					(889,921)	889,921	-	6,711,604
Total General Revenues, Transfers and Special Items					339,408,623	1,045,390	340,454,013	110,994,217
Change in Net Position					115,669,117	51,415	115,720,532	14,581,667
Net Position - June 30, 2013					156,860,700	13,965,760	170,826,460	47,047,818
Net Position - June 30, 2014					\$ 272,529,817	\$ 14,017,175	\$ 286,546,992	\$ 61,629,485

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Pass-Through Fund	General Obligation Bond Fund	Refunding Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	QSCB Construction Fund	Master Plan Fund	Federal Grant Fund	Other Governmental Funds	Total
Assets												
Cash and Cash Equivalents	\$ 33,298,940	\$ -	\$ 18,783,357	\$ 4,315,229	\$ -	\$ -	\$ 31,788,511	\$ 52,078,202	\$ 44,159,125	\$ -	\$ 2,196	\$ 184,425,560
Taxes Receivable												
Sales Tax	-	20,310,790	-	-	-	-	-	-	-	-	-	20,310,790
Ad Valorem Taxes	-	2,406,410	-	-	-	-	-	-	-	-	-	2,406,410
Due from Other Funds	116,415,760	21,576,987	753,742	1,708,843	11,821,502	879,365	2,910,398	126,173	6,779,000	460,157	18,100,457	181,532,384
Due from Other Governments	1,148,180	-	-	-	-	-	-	-	-	9,797,643	5,245,437	16,191,260
Prepaid Items and Other Assets	1,463,131	-	-	-	-	-	-	-	-	-	-	1,463,131
Inventory	-	-	-	-	-	-	-	-	-	-	41,974	41,974
Other Receivables	-	-	-	-	-	-	1,036,055	-	25,000	-	-	1,061,055
Total Assets	\$ 152,326,011	\$ 44,294,187	\$ 19,537,099	\$ 6,024,072	\$ 11,821,502	\$ 879,365	\$ 35,734,964	\$ 52,204,375	\$ 50,963,125	\$ 10,257,800	\$ 23,390,064	\$ 407,432,564
Liabilities and Fund Balances												
Liabilities												
Accounts Payable	\$ 7,719,131	\$ -	\$ -	\$ -	\$ -	\$ 8,063,014	\$ 44,963	\$ -	25,000	\$ 1,978,869	\$ 1,900,898	\$ 19,731,875
Payroll Withholdings	53,134	-	-	-	-	-	-	-	-	-	-	53,134
Salaries Payable	342,375	-	-	-	-	-	-	-	-	-	-	342,375
Due to Other Funds	95,033,963	26,587,842	-	-	126,173	13,606,857	27,510,100	-	-	8,272,673	2,387,065	173,524,673
Due to Other Governments	1,725,659	-	-	-	-	-	-	-	3,000,000	28,210	6,319,892	11,073,761
Unearned Revenues	-	-	-	-	-	2,810,819	-	-	54,952,499	-	158,656	57,921,974
Funds Held For Future Distribution	-	17,706,345	-	-	-	-	-	-	-	-	-	17,706,345
Total Liabilities	104,874,262	44,294,187	-	-	126,173	24,480,690	27,555,063	-	57,977,499	10,279,752	10,766,511	280,354,137
Fund Balances (Deficit)												
Nonspendable:												
Prepaid Items	1,463,131	-	-	-	-	-	-	-	-	-	-	1,463,131
Inventory	-	-	-	-	-	-	-	-	-	-	41,974	41,974
Restricted for:												
Debt Service	-	-	19,537,099	6,024,072	11,695,329	-	-	-	-	-	-	37,256,500
Capital Projects	-	-	-	-	-	-	8,179,901	52,204,375	-	-	9,929,074	70,313,350
Committed for:												
Capital Projects	-	-	-	-	-	-	-	-	-	-	1,417,906	1,417,906
Assigned to:												
Special Programs	-	-	-	-	-	-	-	-	-	-	4,717,682	4,717,682
Unassigned	45,988,618	-	-	-	-	(23,601,325)	-	-	(7,014,374)	(21,952)	(3,483,083)	11,867,884
Total Fund Balances (Deficit)	47,451,749	-	19,537,099	6,024,072	11,695,329	(23,601,325)	8,179,901	52,204,375	(7,014,374)	(21,952)	12,623,553	127,078,427
Total Liabilities and Fund Balances	\$ 152,326,011	\$ 44,294,187	\$ 19,537,099	\$ 6,024,072	\$ 11,821,502	\$ 879,365	\$ 35,734,964	\$ 52,204,375	\$ 50,963,125	\$ 10,257,800	\$ 23,390,064	\$ 407,432,564

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2014

Total Fund Balances at June 30, 2014 - Governmental Funds		\$ 127,078,427
Cost of Capital Assets at June 30, 2014	294,162,801	
Less: Accumulated Depreciation as of June 30, 2014		
Buildings	(65,840,466)	
Movable Property	<u>(9,764,913)</u>	218,557,422
Accounts Receivable - RSD		133,572,675
Consolidation of Internal Service Funds		-
Short-Term Interest Payable		(1,247,000)
Long-Term Liabilities at June 30, 2014		
Bonds Payable	(153,803,877)	
Bond Premium	(5,231,953)	
Interest Payable	(2,065,636)	
Claims Payable	(35,652,190)	
OPEB Obligation Payable	(885,000)	
Compensated Absences Payable	<u>(7,793,051)</u>	<u>(205,431,707)</u>
Total Net Position at June 30, 2014 - Governmental Activities		<u>\$ 272,529,817</u>

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2014

	General Fund	Pass-Through Fund	General Obligation Bond Fund	Refunding Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	QSCB Construction Fund	Master Plan Fund	Federal Grant Fund	Other Governmental Funds	Total
Revenues												
Local Sources												
Ad Valorem Taxes	\$ 11,564,408	\$ 110,393,576	\$ 14,876,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,834,464
Sales and Use Tax	6,894,345	92,134,940	-	5,519,451	9,172,490	-	-	-	-	-	-	113,721,226
Earnings (Loss) on Investments	46,591	-	18,657	12,437	-	-	-	40,797	17,235	-	-	135,717
Food Services	-	-	-	-	-	-	-	-	-	-	630,642	630,642
Donations	50	-	-	-	-	-	-	-	-	-	8,614,374	8,614,424
Other	4,110,419	-	-	-	-	-	4,496,888	126	-	-	-	8,607,433
State and Federal Sources												
Minimum Foundation Program	12,652,956	38,667,760	-	-	-	-	-	-	-	-	176,608	51,497,324
State Revenue Sharing	2,719,832	-	-	-	-	-	-	-	-	-	-	2,719,832
Other	854,557	1,007,092	-	-	-	-	-	-	-	-	5,992,394	7,854,043
Federal Sources	74,839	-	-	-	-	79,546,140	-	-	-	27,368,845	19,143,646	126,133,470
Total Revenues	38,917,997	242,203,368	14,895,137	5,531,888	9,172,490	79,546,140	4,496,888	40,923	17,235	27,368,845	34,557,664	456,748,575
Expenditures												
Current												
Instruction												
Regular Programs	11,266,628	-	-	-	-	62,131	-	-	-	335,664	361,771	12,026,194
Special Programs	3,239,265	-	-	-	-	-	-	-	-	2,821,036	50,238	6,110,539
Other Programs	1,950,512	-	-	-	-	-	-	-	-	13,764,424	873,362	16,588,298
Support												
Student Services	2,092,943	-	-	-	-	-	-	-	-	3,285,442	119,083	5,497,468
Instructional Staff Support	1,817,001	-	-	-	-	-	-	-	-	5,251,233	40,346	7,108,580
General Administration	2,705,463	7,618,349	583,514	88,311	146,760	-	115,786	2,000	32,475	-	-	11,292,658
School Administration	2,423,014	-	-	-	-	-	-	-	-	10,154	37,412	2,470,580
Business Services	1,960,726	-	-	-	-	52,896	-	-	40	5,118	168,478	2,187,258
Student Transportation Services	3,165,738	-	-	-	-	-	4,026	-	-	71,786	-	3,241,550
Central Services	3,809,623	-	-	-	-	53,701	-	-	-	82,483	-	3,945,807
Plant Services	6,373,241	-	-	-	-	988,025	1,899,865	-	-	5,249	78,225	9,344,605
Food Services	-	-	-	-	-	-	-	-	-	-	6,051,146	6,051,146
Capital Outlay	-	-	-	-	-	66,455,147	476,096	-	12,830,745	-	11,678,201	91,440,189
Other	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service												
Principal Retirement	-	-	9,145,000	5,990,317	-	-	-	-	-	-	-	15,135,317
Interest and Bank Charges	-	-	3,457,300	10,983,646	277,484	-	-	-	-	-	-	14,718,430
Total Expenditures	40,804,154	7,618,349	13,185,814	17,062,274	424,244	67,611,900	2,495,773	2,000	12,863,260	25,632,589	19,458,262	207,158,619
Excess of Revenues Over (Under) Expenditures	(1,886,157)	234,585,019	1,709,323	(11,530,386)	8,748,246	11,934,240	2,001,115	38,923	(12,846,025)	1,736,256	15,099,402	249,589,956

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Revenues, Expenditures and
 Changes in Fund Balances (Continued)
 Governmental Funds
 Fiscal Year Ended June 30, 2014

	General Fund	Pass-Through Fund	General Obligation Bond Fund	Refunding Bond Fund	QSCB Fund	Hurricane Katrina Restoration Fund	Capital Projects Fund	QSCB Construction Fund	Master Plan Fund	Federal Grant Fund	Other Governmental Funds	Total
Other Financing Sources (Uses)												
Proceeds from Debt Service												
Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Refunding Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	12,830,745	-	-	12,830,745
Other	710,243	(10,241,702)	-	-	-	-	-	-	-	-	-	(9,531,459)
Transfers In	1,758,208	87,885	-	2,795,772	2,947,083	-	-	8,607	-	-	-	7,597,555
Transfers Out	(8,607)	-	-	(2,795,772)	-	-	(889,921)	(151,311)	-	(1,758,208)	(2,883,657)	(8,487,476)
Transfers Out - Building	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out - Charter Schools	-	(82,923,469)	-	-	-	-	-	-	-	-	(5,690,394)	(88,613,863)
Transfers Out - Recovery School District	-	(141,507,733)	-	-	-	-	-	(9,000,000)	-	-	(3,474,695)	(153,982,428)
Transfers Out - Other LEA	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,459,844	(234,585,019)	-	-	2,947,083	-	(889,921)	(9,142,704)	12,830,745	(1,758,208)	(12,048,746)	(240,186,926)
Net Change in Fund Balances	573,687	-	1,709,323	(11,530,386)	11,695,329	11,934,240	1,111,194	(9,103,781)	(15,280)	(21,952)	3,050,656	9,403,030
Fund Balances, June 30, 2013	46,878,062	-	17,827,776	17,554,458	-	(35,535,565)	7,068,707	61,308,156	(6,999,094)	-	9,572,897	117,675,397
Fund Balances, June 30, 2014	\$ 47,451,749	\$ -	\$ 19,537,099	\$ 6,024,072	\$ 11,695,329	\$ (23,601,325)	\$ 8,179,901	\$ 52,204,375	\$ (7,014,374)	\$ (21,952)	\$ 12,623,553	\$ 127,078,427

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Reconciliation of the Governmental Funds - Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Fiscal Year Ended June 30, 2014

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Excess of Expenditures and Other Uses Over Revenues and Other Financing Sources - Total Governmental Funds		\$ 9,403,030
Capital Assets		
Capital Outlay and Other Expenditures Capitalized	77,432,266	
Depreciation Expense for Year Ended June 30, 2014	(4,241,435)	
Assets Disposed	<u>(3,815,475)</u>	69,375,356
Change in Net Assets of Internal Service Funds		-
Long-Term Debt		
Bond Premium, Net	844,095	
Principal Portion of Debt Service and Capital Lease Payments	15,135,329	
Debt Forgiveness	8,636,118	
Excess of Interest Paid Over Interest Accrued	11,253,017	
Decrease in Estimate of Long-Term Claims Payable	524,381	
Decrease in OPEB Obligation Payable	132,000	
Excess of Compensated Absences Used Over Amounts Earned	<u>365,791</u>	<u>36,890,731</u>
Change in Net Position - Governmental Activities		<u>\$ 115,669,117</u>

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
Assets				
Current				
Cash and Cash Equivalents	\$ 65,202	\$ 7,483,194	\$ 7,548,396	\$ 1,894,176
Other Receivables	-	-	-	168,928
Due from Other Funds	1,298,563	-	1,298,563	28,395,032
Due from Other Governments	54,000	-	54,000	-
Noncurrent				
Loan Receivable and Accrued Interest	-	13,835,311	13,835,311	-
Capital Assets				
Land	1,440,992	-	1,440,992	-
Net Investment in Capital Assets	5,491,973	-	5,491,973	-
Total Assets	8,350,730	21,318,505	29,669,235	30,458,136
Liabilities and Net Position				
Liabilities				
Current				
Accounts Payable	94,586	-	94,586	441,241
Deposit Payable	58,474	-	58,474	-
Due to Other Funds	-	15,499,000	15,499,000	22,553,542
Noncurrent				
Claims Payable	-	-	-	2,842,057
Unearned Revenue	-	-	-	4,621,296
Total Liabilities	153,060	15,499,000	15,652,060	30,458,136
Net Position				
Restricted	8,197,670	5,819,505	14,017,175	-
Total Net Position	\$ 8,197,670	\$ 5,819,505	\$ 14,017,175	\$ -

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2014

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
Operating Revenues				
Employer Contributions	\$ -	\$ -	\$ -	\$ 7,113,219
Retiree Contributions	-	-	-	1,454,726
Employee Contributions	-	-	-	13,104
Workers Compensation Reimbursement	-	-	-	-
Rental Income	1,545,923	-	1,545,923	-
Other Miscellaneous	376	-	376	-
Total Operating Revenues	1,546,299	-	1,546,299	8,581,049
Operating Expenses				
Business Services	121,909	-	121,909	-
Central Services	-	-	-	8,521,969
Plant Services	1,111,279	-	1,111,279	-
General Administrative	36	-	36	59,080
Total Operating Expenses	1,233,224	-	1,233,224	8,581,049
Operating Income	313,075	-	313,075	-
Nonoperating Revenues				
Investment Income	1,864	153,605	155,469	-
Transfers In	889,921	-	889,921	-
Transfers Out - Other LEA	-	(1,307,050)	(1,307,050)	-
Total Operating Revenues	891,785	(1,153,445)	(261,660)	-
Change in Net Position	1,204,860	(1,153,445)	51,415	-
Net Position, June 30, 2013	6,992,810	6,972,950	13,965,760	-
Net Position, June 30, 2014	\$ 8,197,670	\$ 5,819,505	\$ 14,017,175	\$ -

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2014

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
Cash Flows from Operating Activities				
Cash Premiums Received	\$ -	\$ -	\$ -	\$ 3,373,395
Receipts from Customers	1,504,558	-	1,504,558	-
Receipts from Other Funds	(1,324,631)	-	(1,324,631)	-
Payments to Other Funds	-	15,499,000	15,499,000	-
Payments for Claims and Benefits	-	-	-	(4,322,032)
Payments to Suppliers	(981,134)	-	(981,134)	-
Payments to Customers	-	-	-	-
Payments to Employees	(71,981)	-	(71,981)	-
Net Cash (Used in) Provided by Operating Activities	(873,188)	15,499,000	14,625,812	(948,637)
Cash Flows from Non-Capital and Related Financing Activities				
Contribution to Others	-	(1,307,050)	(1,307,050)	-
Purchase of Capital Assets	(34,589)	-	(34,589)	-
Net Cash Used in Capital and Related Financing Activities	(34,589)	(1,307,050)	(1,341,639)	-
Cash Flows from Investing Activities				
Cash Paid for Loan to Others	-	(6,849,000)	(6,849,000)	-
Interest Income	1,864	140,244	142,108	-
Net Cash Provided by (Used in) Investing Activities	1,864	(6,708,756)	(6,706,892)	-
Net (Decrease) Increase in Cash	(905,913)	7,483,194	6,577,281	(948,637)
Cash at Beginning of Year	971,115	-	971,115	2,842,813
Cash at End of Year	\$ 65,202	\$ 7,483,194	\$ 7,548,396	\$ 1,894,176

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Cash Flows (Continued)
 Proprietary Funds
 Fiscal Year Ended June 30, 2014

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Timbers	Orleans Schools Facility Foundation	Totals	Internal Service
Reconciliation of Operating Income to Net Cash				
(Used in) Provided by Operating Activities				
Operating Income	\$ 313,075	\$ -	\$ 313,075	\$ -
Adjustments to Reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities:				
Depreciation	121,909	-	121,909	-
Changes in:				
Other Receivables	(54,000)	-	(54,000)	39,582
Due from Other Funds	(1,298,563)	-	(1,298,563)	(3,739,941)
Accounts Payable	58,200	-	58,200	(380,160)
Unearned Revenue	-	-	-	(498,654)
Due to Other Funds	(26,068)	15,499,000	15,472,932	3,952,921
Deposits Payable	12,259	-	12,259	-
Claims Payable	-	-	-	(322,385)
Net Cash (Used in) Provided by Operating Activities	\$ (873,188)	\$ 15,499,000	\$ 14,625,812	\$ (948,637)

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2014

	Trust Funds	Agency Funds
Assets		
Cash	\$ -	\$ 269,558
Investments	339,110	-
Due from Other Funds	351,236	-
	<hr/>	<hr/>
Total Assets	690,346	269,558
Liabilities		
Accounts Payable	1,500	-
Due to Student Groups	-	269,558
	<hr/>	<hr/>
Total Liabilities	1,500	269,558
Net Position		
Held in Trust for Various Purposes	<u>\$ 688,846</u>	<u>\$ -</u>

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Fiscal Year Ended June 30, 2014

	Trust Funds
<hr/>	
Additions	
Other Miscellaneous	\$ -
Interest and Investment Gain	48,006
	<hr/>
Total Additions	48,006
 Deductions	
Administrative Expenses	-
	<hr/>
Changes in Net Position	48,006
 Net Position - Beginning	 640,840
	<hr/>
Net Position - Ending	 \$ 688,846
	<hr/> <hr/>

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

NOTES TO FINANCIAL STATEMENTS

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 1. General Information

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

As of the report date, the School Board has approximately 775 full-time or part-time employees of which approximately 440 are involved in the instructional process.

In November 2005, Louisiana House Bill 121 (Act 35) transferred control of each School Board school deemed to be in academic crisis, as determined by standardized student testing results, resulting in approximately 83% (106 schools) of the School Board's former schools being transferred to the Louisiana State Department of Education's Recovery School District (RSD). The RSD is responsible for providing all educational services to students attending the School Board transferred schools. Act 35 provided for the transfer of operational and managerial control of the transferred schools for a period of not less than five years. Further, Act 35 provides the RSD with authorization to manage and retain funding under the Minimum Foundation Program corresponding to the students attending the transferred schools. While the School Board retains ownership of each School Board transferred school, all rights and responsibilities associated with property ownership were transferred to the RSD.

As of the report date, the School Board is operating five schools and two programs with approximately 2,900 students. The School Board also has twelve charter schools opened and operating that have approximately 9,000 students. The School Board is working collaboratively with the RSD to ensure that a sufficient number of additional schools are opened to provide educational services to the New Orleans student population.

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

Note 2. Summary of Significant Accounting Policies

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

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999. The following is a summary of the School Board's significant accounting policies:

Financial Reporting Entity

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

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

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

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

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

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

Component Units	Number of Students
Charter Schools	
* Audubon Charter School	722
* Ben Franklin High School	878
* Bricolage Academy	75
* Einstein Charter School	839
* Encore Learning	300
* Homer A. Plessy Community School	72
* Hynes Charter School	668
* InspireNOLA Charter Schools	
Alice M. Harte Elementary	699
Edna Karr High School	1,044
* Lake Forest Elementary Charter School	521
* Lusher Charter School	1,711
* New Orleans Charter Science and Math High School	394
* Robert Russa Moton Charter School	307
* Warren Easton Senior High School	943
	<hr/>
Total Charter Student Enrollment	9,173
	<hr/> <hr/>

* Submitted June 30, 2014 audited financial statements.

Primary Government	Number of Students
Orleans Parish School Board Schools	
Schools:	
Bethune Elementary School	358
McDonogh No. 35 High School	694
Eleanor McMain High School	819
Benjamin Franklin Elementary Math and Science	736
Mahalia Jackson Elementary School	117
McDonogh No. 35 Career Academy	184
Programs:	
Alternative Learning Center	82
Youth Study Center	31
	<hr/>
Total OPSB Student Enrollment	3,021
	<hr/> <hr/>

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

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

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

Enterprise Fund - Timbers - An enterprise fund established to account for the rental receipts and operating costs of a five story building located at 3520 General DeGaulle Drive, New Orleans, LA. The Timbers Enterprise Fund is reported as a non-major fund.

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Proprietary Fund Types (Continued)

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

Fiduciary Fund Types

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

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

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

Major Funds

The School Board reports the following major governmental funds:

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

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

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

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Major Funds (Continued)

Qualified School Construction Bond (QSCB) Fund – Established to account for the construction, rehabilitation or repair of public school facilities, including equipping school facilities improved with bond proceeds. Fund revenues include receipt of sales and use taxes and interest earned on cash balances. Effective fiscal year 2014, sales and use tax revenues were transferred to fund debt service obligations that commence in fiscal year 2015. Additionally, the School Board may transfer additional sales and use tax amounts to cover deficiencies, if any, or to provide additional reserves to service future obligations.

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

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

QSCB Construction Fund – Capital projects fund established to account for the construction, rehabilitation and repair of public school facilities funded through the Qualified School Construction Bonds (QSCB).

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

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

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (FFS)

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

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

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

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

Revenues

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

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Expenditures

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

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

Budget and Budgetary Accounting

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

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

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

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

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

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Encumbrances

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents include interest-bearing demand deposits and short-term investments as described below, with a maturity date within three months of the date of acquisition.

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

Investments for the School Board are reported at fair value.

Accounts Receivable

Management has recorded a \$253,519 allowance for Federal Grant Fund receivables. Management considers all other receivables outstanding at June 30, 2014, to be fully collectible and as such, has no provision for uncollectible receivables recorded related to these receivables.

Inventory

Government-Wide Level

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

Fund Level

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

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

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Capital Assets

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

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

Receivables and Payables

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fund Equity

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

Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions, or by enabling legislation.

Committed - amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body which the governing body delegates the authority.

Unassigned - amounts that are available for any purpose.

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

Interfund Transactions

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

Compensated Absences

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

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

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

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

Unearned Revenues

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

Funds Held For Future Distribution

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

Long-Term Obligations

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

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

Restricted Net Position

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

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

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 disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

Note 3. Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits are secured by federal depository insurance or the pledge of securities held by the pledging banks agent in the School Board's name. At June 30, 2014, the carrying amount of the School Board's deposits (demand deposits) was \$193,868,132 and the related bank balances were \$195,681,122. The entire bank balance of \$195,681,122 was covered by federal depository insurance or secured by bank owned securities specifically pledged to the School Board and held in joint custody by an independent bank or trust department.

In addition, five schools maintained Student Activity Funds with book and bank balances of \$269,558 and \$273,971, respectively. The bank balances of these accounts were secured by federal depository insurance and the pledge of securities held by the pledging banks agent in the School Board's name. These funds are not assets of the School Board, but rather assets held for the benefit of the students attending those schools and are reported as Agency Funds in the Required Supplementary Section and not included in the GWFS.

Investments

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

Credit risk. State law limits investments to the following:

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

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

Included in investments as of June 30, 2014, are marketable securities, which are uninsured investments for which the securities are held in a fiduciary trust fund, of \$339,110.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 4. Ad Valorem Taxes and Sales Tax

Ad valorem taxes were levied by the School Board on July 16, 2013 for the calendar year 2014, based on the assessed valuation of property as of October 2013. Values are established by the Orleans Parish Assessors' Offices each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property. The taxes become due on January 1 of each year, and become delinquent on February 1. Before the taxes can be collected, the assessment list (tax roll) must be submitted to the Louisiana Tax Commission for approval. From the day the tax roll is filed in the Board of Tax Commission, it shall act as a lien on each specific piece of real estate thereon assessed, which shall be subject to a legal mortgage after the year for the payment of the tax due on it. Ad valorem taxes are collected by the City of New Orleans and remitted to the School Board on a periodic basis. The taxes are generally collected in December, January, and February of the fiscal year. A list of property on which taxes have not been paid is published in the official journal by the City of New Orleans. If taxes are not paid within the period stipulated in the public notice, the property is sold for taxes due at a tax sale held by the City of New Orleans. The tax sale is usually held prior to the end of the School Board's fiscal year.

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

	Authorized Millage	Levied Millage	Expires
Constitutional Millage	27.65	27.65	Not Applicable
Dedicated Millage			
Purpose A	School Books, Materials and Supplies	1.550	2018
Purpose B	Early Childhood, Discipline and Dropout Programs	1.550	2018
Purpose C	Employee Salary, Benefits and Incentives	7.270	2018
Purpose D	Air Conditioning, Asbestos Removal and Facilities	2.320	2028
School Board General Obligation Bond Taxes	4.97	<u>4.97</u>	2025
Total Millage		<u><u>45.31</u></u>	

On July 19, 2008, the voters of Orleans Parish approved an extension of the Dedicate Millage for Purposes A, B and C for another 10 years, and Purpose D for another 20 years.

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

Notes to Financial Statements

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

All ad valorem taxes are recorded on the basis explained in Note 2. For governmental funds, revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end. The School Board records these taxes gross of the assessor's and City's collection fees, which amounted to \$2,835,443 and \$2,484,279, respectively, for the year ended June 30, 2014.

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

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

Sales taxes which remain uncollected on the twenty-first day of the month due are classified as delinquent. Sales taxes are collected by the City of New Orleans and the State of Louisiana and are remitted monthly to the School Board. The School Board records these taxes in the period that the underlying transaction occurred, including the City's collection fees, which amounted to \$1,709,970, for the year ended June 30, 2014.

Note 5. Loans Receivable

On April 1, 2013, as part of a New Market Tax Credit (NMTC) transaction, the OSFF advanced \$6,948,587 to Wheatley NMTC Investment Fund, LLC in the form of a subordinate loan note. The note accrues interest at 1.40% and the maturity date is March 11, 2048. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and others charges are due. Interest earned for the year ended June 30, 2014 totaled \$97,450. The loan is collateralized by a grant of a first position security interest in all of Wheatley NMTC Investment Fund LLC rights, title and interest in its 100% membership interest in the Sub-CDE.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 5. Loans Receivable (Continued)

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2015	\$ -
2016	-
2017	-
2018	-
2019	-
Thereafter	<u>6,948,587</u>
Total	<u><u>\$ 6,948,587</u></u>

On October 22, 2013, as part of a New Market Tax Credit (NMTC) transaction, the OSFF advanced \$6,849,000 to McDonogh Elementary Investment Fund, LLC in the form of a subordinate loan note. The note accrues interest at 0.78% and the maturity date is October 23, 2045. Interest only payments are due quarterly for the first seven years of the note, with principal and interest payments due quarterly for the remainder of the note. At maturity, final payment of all outstanding principal, accrued interest and any and all unpaid fees and others charges are due. Interest earned for the year ended June 30, 2014 totaled \$36,817. The loan is collateralized by a grant of a first position security interest in all of McDonogh Elementary Investment Fund, LLC rights, title and interest in its 99.99% membership interest in the Sub-CDE.

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal
2015	\$ -
2016	-
2017	-
2018	-
2019	-
Thereafter	<u>6,849,000</u>
Total	<u><u>\$ 6,849,000</u></u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 6. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2014, are as follows:

	Land*	Buildings and Improvements	Furniture and Equipment	Construction in Process*	Total
Governmental Activities					
Assets at Cost					
Balance at June 30, 2013	\$ 16,983,743	\$ 164,726,224	\$ 11,299,075	\$ 35,589,091	\$ 228,598,133
Additions	-	704,349	445,404	76,282,513	77,432,266
Deletions	(2,561,346)	(9,826,087)	(4,041)	-	(12,391,474)
Transfers	-	3,988,940	-	(3,988,940)	-
Transfers from RSD	44,600	479,276	-	-	523,876
Balance at June 30, 2014	14,466,997	160,072,702	11,740,438	107,882,664	294,162,801
Accumulated Depreciation					
Balance at June 30, 2013	-	70,726,611	9,213,332	-	79,939,943
Additions	-	3,685,813	555,622	-	4,241,435
Deletions	-	(8,571,958)	(4,041)	-	(8,575,999)
Balance at June 30, 2014	-	65,840,466	9,764,913	-	75,605,379
Total Governmental Activities					
Capital Assets, Net of Accumulated Depreciation at June 30, 2014	\$ 14,466,997	\$ 94,232,236	\$ 1,975,525	\$ 107,882,664	\$ 218,557,422
Business-Type Activities					
Assets at Cost					
Balance at June 30, 2013	\$ 1,440,992	\$ 4,994,491	\$ -	\$ -	\$ 6,435,483
Additions	-	924,510	-	-	924,510
Deletions	-	-	-	-	-
Transfers	-	-	-	-	-
Transfers from RSD	-	-	-	-	-
Balance at June 30, 2014	1,440,992	5,919,001	-	-	7,359,993
Accumulated Depreciation					
Balance at June 30, 2013	-	305,118	-	-	305,118
Additions	-	121,910	-	-	121,910
Deletions	-	-	-	-	-
Balance at June 30, 2014	-	427,028	-	-	427,028
Total Business-Type Activities					
Capital Assets, Net of Accumulated Depreciation at June 30, 2014	\$ 1,440,992	\$ 5,491,973	\$ -	\$ -	\$ 6,932,965
Total Primary Government					
Capital Assets, Net of Accumulated Depreciation at June 30, 2014	\$ 15,907,989	\$ 99,724,209	\$ 1,975,525	\$ 107,882,664	\$ 225,490,387

* Not being depreciated

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 6. Capital Assets (Continued)

The School Board reviewed its capital assets and noted no impairment as of June 30, 2014.

Depreciation expense, loss on disposals, and impairment for the year ended June 30, 2014, was charged to the following governmental functions:

	Depreciation	Loss on Disposals
Instruction		
Regular Education Programs	\$ 639,094	\$ 574,911
Special Education Programs	324,725	292,113
Other Education Programs	881,531	792,998
Support		
Student Services	292,145	262,806
Instructional Staff Services	377,763	339,825
General Administration	600,112	539,844
School Administration	131,291	118,106
Business and Central Services	116,235	104,562
Transportation Services	172,262	154,962
Central Services	209,687	188,629
Plant Services	496,590	446,721
Total	\$ 4,241,435	\$ 3,815,477

Note 7. Defined Benefit Pension Plans

Plan Description - Substantially all School Board employees participate in either the Teachers' Retirement System of Louisiana or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems. Each system is administered and controlled at the State level by a separate board of trustees with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is primarily divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. Five years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits under each plan.

Each of the Systems issues a publicly available financial report on an annual basis that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or viewing their websites:

Teachers' Retirement System of Louisiana

8401 United Plaza Blvd., 3rd Floor
Baton Rouge, Louisiana 70809-7017

P.O. Box 94123
Baton Rouge, Louisiana 70804-9123
www.trsl.org

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 7. Defined Benefit Pension Plans (Continued)

Louisiana School Employees' Retirement System	8660 United Plaza Blvd., 1 st Floor Baton Rouge, LA 70809-7004
	P.O. Box 44516 Baton Rouge, LA 70804-4516 (225) 925-6484 www.lasers.net

Funding Policy - 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, 2014, for the School Board and covered employees were as follows:

	School Board	Employees
Teachers' Retirement System of Louisiana		
Regular Plan	27.2%	8.0%
Plan B	29.1%	5.0%
Louisiana School Employees' Retirement System	32.3%	7.5% / 8.0% *

* 8.0% effective 7/1/10 for new LSERS members

As provided by Louisiana Revised Statute 11:103, the School Board's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The contributions made to the systems for the past three fiscal years, which substantially equaled the required contributions for each of these years, were as follows:

	2014	2013	2012
Teachers' Retirement System of Louisiana	\$ 6,606,881	\$ 5,412,991	\$ 5,168,274
Louisiana School Employees' Retirement System	\$ 136,670	\$ 150,684	\$ 135,050

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 8. Other Post Employment Benefits (OPEB)

In accordance with state statutes, the School Board provides certain post employment health care to its retired employees. Substantially all of the School Board's employees may become eligible for such benefits upon reaching retirement age, if they are currently participating in the active health plan. Starting on February 1, 2006, the School Board paid approximately 25% of the health insurance costs for retired employees and their covered dependents. Retirees contribute 75% of the retiree and dependent coverage premiums. Retirees who are eligible for Parts A and B of Medicare pay a reduced premium for health coverage. Prior to February 1, 2006, the School Board had a traditional fully-insured Health Insurance Plan and recorded expenditures as premiums were paid. On February 1, 2006, the School Board changed to a self insured Health Insurance Plan and records expenditures as amounts are remitted to Blue Cross Blue Shield Louisiana, a third party administrator that reimbursed medical providers for participant claims. For the year ended June 30, 2014, the School Board's cost for providing all health care benefits to the 364 retired employees and their dependents amounted to \$1,640,880.

The School Board follows Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45)*.

Annual OPEB Cost

The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period not to exceed thirty years. A level dollar, closed amortization period has been used. The total ARC for the fiscal year beginning July 1, 2013 is \$726,000, as set forth below.

Normal Cost	\$ 26,000
Interest on Normal Cost	1,000
Amortization Payment	669,000
Interest on Amortization Payment	<u>30,000</u>
Annual Required Contribution (ARC)	<u><u>\$ 726,000</u></u>

The following table shows the School Board's OPEB Obligation for the fiscal year 2014:

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Beginning Net OPEB Obligation, July 1, 2013	\$	1,017,000
Annual Required Contribution	726,000	
Interest on Net OPEB Obligation	46,000	
ARC Adjustment	<u>(39,000)</u>	
OPEB Cost	733,000	
Contributions Made	-	
Current Year Retiree Premium	<u>865,000</u>	
Change in Net OPEB Obligation		<u>(132,000)</u>
Ending Net OPEB Obligation, June 30, 2014	\$	<u><u>885,000</u></u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 8. Other Post Employment Benefits (OPEB) (Continued)

The following table shows the School Board's annual Post-Employment Benefits (PEB) cost, percentage of the cost contributed, and the net unfunded Post-Employment Benefits (PEB) liability:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
June 30, 2014	\$ 733,000	118.01%	\$ 885,000
June 30, 2013	\$ 1,476,000	126.56%	\$ 1,017,000
June 30, 2012	\$ 1,479,000	116.50%	\$ 1,409,000

Funded Status and Funding Progress

In the fiscal year ended June 30, 2014, the School Board made no contributions to its post employment benefits plan trust since such a trust had not been established. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2013, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$17,508,000, which is defined as that portion, as determined by a particular actuarial cost method (the School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2013-2014, the entire actuarial liability of \$17,508,000 was unfunded. Below is the schedule of funding progress for the year ended June 30, 2014:

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2014	7/1/2013	\$ -	\$ 17,508,000	\$ 17,508,000	0%	\$ 31,380,631	56%
2013	7/1/2012	-	34,978,000	34,978,000	0%	31,116,478	112%
2012	7/1/2011	-	35,092,000	35,092,000	0%	33,082,275	106%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) termination probabilities; (2) retirement rate; (3) health care cost trend rate; (4) participation assumption; (5) mortality rate and age based morbidity; (6) discount rate (investment return assumption); (7) non-claim expenses; and (8) salary increase assumption. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Notes to Financial Statements

Note 8. Other Post Employment Benefits (OPEB) (Continued)

Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Cost Method with benefits attributed from the date of hire to expected retirement age. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets

Since the ARC has not yet been funded, there are not any assets. It is anticipated that, if funding should take place in the future, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6) would be used, as provided in paragraph number 125 of GASB Statement No. 45.

Termination

The rate of withdrawal for reasons other than death and retirement were developed from the Teachers' Retirement System of Louisiana (TRSL) Actuarial Valuation as of June 30, 2014. Sample termination probabilities are as follows:

Age	Years of Service			
	< 1 year	1 - 2 years	2 - 3 years	4+ years
20	20.0%	20.0%	9.5%	18.0%
25	18.0%	12.6%	9.5%	9.0%
30	19.0%	12.0%	10.9%	5.3%
35	18.0%	11.7%	9.5%	4.0%
40	16.5%	12.3%	9.0%	3.7%
45	16.3%	9.9%	9.0%	4.0%
50	17.5%	11.2%	9.0%	4.0%
55	17.5%	10.6%	9.0%	4.0%
60	20.0%	10.6%	9.0%	4.0%

Eligibility Criteria

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

- 30 years of service at any age;
- Age 55 with 25 years of experience; or
- Age 65 with 5 years of service.

Investment Return Assumption (Discount Rate)

GASB Statement No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will be funded, a 4.5% annual investment return has been used in this valuation.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 8. Other Post Employment Benefits (OPEB) (Continued)

Amortization Method

The unfunded actuarial accrued liability is amortized over the period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll.

Health Care Cost Trend Rate

The following annual trend rates are applied on a select and ultimate basis:

Benefit	Select	Ultimate
Pre 65 Medical/Rx benefits	9.0%	5.0%
Medicare benefits	8.0%	5.0%
Administration	5.0%	5.0%

Select trends are reduced 0.5% each year until reaching the ultimate trend.

Participation Assumption

The participation assumption is the assumed percentage of future retirees that participate and enroll in the health plan. The participation assumption used in this valuation is 25% for pre-65 retirees and 70% of pre-65 enrollees continuing coverage beyond age 65, and is based on data provided by the School Board.

Per Capita Health Claim Cost

Per capita health claim costs for the School Board's plan are developed using a blend of historical claims experience and manual claim costs. The annual age 60 and age 70 per capita health claim costs by plan are show below:

Age 60	\$7,361
Age 70	\$9,682

Age Based Morbidity

The assumed per capita health claim costs are adjusted to reflect expected increases related to age. The increase in per capita health claim costs related to age are assumed to be the following:

Age	Increase	Age	Increase
42 - 46	3.19%	65 - 69	3.00%
47 - 51	3.89%	70 - 74	2.50%
52 - 56	3.58%	75 - 79	2.00%
57 - 61	4.52%	80 - 84	1.00%
62 - 64	5.06%	85 - 89	0.05%

Post-65 Plan Election

It is assumed that all future post-65 retirees elect the fully-insured Humana plan.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 8. Other Post Employment Benefits (OPEB) (Continued)

Pre-65 Plan Costs

The current annual plan costs assumed in the valuation of excise tax are based on the School Board's current premium information and plan enrollment and are estimated to be \$5,927 per year for retirees and \$6,913 per year for spouses.

Contributions

Premiums and employer contributions are assumed to increase with healthcare cost trend in future years.

Mortality

RP-2000 Table projected to 2020 using Scale BB and applied on a gender-specific basis.

Retirement Age

Annual retirement probabilities were development from the TRSL Actuarial Valuation as of June 30, 2013. Sample retirement ages and associated probabilities are as follows:

Age	Years of Service (Teachers)		
	< 25 years	25 - 29 years	30+ years
50	3%	5%	30%
51	3%	17%	60%
52	3%	28%	60%
53	10%	28%	50%
54	15%	45%	40%
55	15%	75%	30%
56	15%	33%	20%
57	15%	25%	20%
58	25%	25%	20%
59	25%	30%	20%
60	25%	30%	20%
61	15%	30%	20%
62	15%	22%	25%
63	15%	17%	15%
64	20%	20%	30%
65	20%	20%	30%
66	20%	20%	30%
67	20%	20%	20%
68	20%	30%	30%
69	20%	30%	30%
70	20%	30%	40%

Additionally, it is assumed that 100% of employees are retired by age 71.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 8. Other Post Employment Benefits (OPEB) (Continued)

Salary Increase Assumption

The salary increase assumption is 3.5% per annum.

Census Data

The census data was provided by the School Board as of August 2014.

CPI Trend

Health CPI is assumed to increase at a rate of 3% each year.

Inflation Rate

Inflation rate is assumed a rate of 3% per year.

Excise Tax Threshold

The 2018 annual threshold costs for excise tax are as follows:

Active Single	\$	10,200
Active Family		27,500
Pre-65 Retiree Single		11,850
Pre-65 Retiree Single		30,950

Spousal Coverage

The assumed number of eligible dependents is based on the current proportions of single and family contracts. If spouse date of birth information was not available, then males were assumed to be 3 years older than females.

Medicare Eligibility

All future retirees are assumed to be eligible for Medicare at age 65.

Non-Claim Expenses

Non-claim expenses are based on the current amounts charged per retired employee. These amounts are provided in the table below:

Expense Type	Cost Per Retired Employee Per Month	
		PPO
Stop Loss - Specific (Single)		\$14.13
Stop Loss - Specific (Family)		\$53.02
Administrative Fee		\$33.10

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 9. Long-Term Obligations

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

<u>Bonds Payable</u>	<u>Range of Interest in Remaining Years</u>	<u>Final Maturity</u>	<u>Balance as of June 30, 2014</u>
Refunding Bonds			
Series 1991 - Issued December 1, 1991	7.15 - 7.85%	2/1/2015	\$ 553,877
Series 2010 - Issued September 1, 2010	2.50 - 5.00%	9/1/2020	71,055,000
Series 2011 - Issued December 1, 2011	1.47 - 2.30%	2/1/2015	3,140,000
Revenue Bonds			
OSCB 2011 - Issued December 20, 2011	4.40%	2/1/2021	<u>79,055,000</u>
Total			<u>\$ 153,803,877</u>

Refunding Bonds

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

\$121,698,366 Public School Refunding Bonds, Series 1991, dated December 1, 1991, partially refunded by the Series 1995 A and B Bonds described below - The purpose of these bonds was to refund the Public School Refunding Bonds, Series 1990. The bonds are insured and are payable from the one-half percent Dedicated Sales Tax and the Constitutional Millage.

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

\$9,225,000 Public School Refunding Bonds, Series 2011 – The purpose of the bonds was to refund the outstanding \$8,855,000 Public School Refunding Bonds, Series 1995B dated December 1, 1995, which were set to mature February 1, 2014. The debt is payable directly from the ad valorem tax and from the ½% sales and use tax.

Revenue Bonds

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 9. Long-Term Obligations (Continued)

Revenue Bonds (Continued)

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

Community Disaster Loan

On August 27, 2006, the Federal Emergency Management Agency (FEMA), under the provisions of the Community Disaster Loan Act of 2005, approved the School Board's second application for a disaster loan in the amount of \$33,045,240. On April 18, 2006, the School Board's first application was approved in the amount of \$26,430,814, of which \$25,001,093 was drawn down during fiscal year 2006. The School Board drew down the remaining \$1,479,721 and the entire \$33,045,240, related to the amounts approved during the fiscal years ended June 30, 2006 and 2007, respectively. The purposes of these loans were to allow the School Board to carry on existing governmental functions and to expand such functions to meet disaster-related needs. The interest rate was 2.93% for the loans.

The School Board applied for cancellation of a portion of the total loans as well as an extension of five years to repay the balance. The School Board was granted the extension and cancellation of a total of \$48,127,666 of principal, as well as the interest accrued on that portion of the debt. During the 2014 fiscal year, the School Board was granted full cancellation of the loan principal balance of \$8,636,118, as well as accrued interest on that portion of the debt. As a result of the cancellation, a refund totaling \$4,892,601 was received for overpayments made by the School Board.

Defeased Bonds

In March 1998, the School Board entered into an \$8,155,000 refunding transaction (Series 1998B) for a portion of the School Board's Series 1995 General Obligations maturing September 2020. At June 30, 2014, the outstanding principal balance of the 1995 bonds, which are not included in the School Board's balance sheet, as they are considered defeased, totaled \$7,140,000.

Debt Service Requirements

The annual requirements to amortize all long-term debt outstanding at June 30, 2014, excluding capital leases, accrued compensated absences and claims payable is as follows:

Year Ending June 30,	Refunding Bonds		Revenue Bonds		Total - All Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 13,228,877	\$ 5,474,691	\$ -	\$ 3,478,420	\$ 13,228,877	\$ 8,953,111
2016	9,905,000	2,692,950	-	3,478,420	9,905,000	6,171,370
2017	10,375,000	2,243,475	-	3,478,420	10,375,000	5,721,895
2018	10,880,000	1,730,000	-	3,478,420	10,880,000	5,208,420
2019	11,420,000	1,196,600	-	3,478,420	11,420,000	4,675,020
2020-2021	18,940,000	947,650	79,055,000	6,956,840	97,995,000	7,904,490
Total	\$ 74,748,877	\$ 14,285,366	\$ 79,055,000	\$ 24,348,940 *	\$ 153,803,877	\$ 38,634,306 *

The School Board received a federal borrowing subsidy related to the interest payments. See Note 9 for further disclosure.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 9. Long-Term Obligations (Continued)

Debt Service Requirements (Continued)

Long-Term Obligations	Beginning Balance	Additions/ Change in Estimates	Retirements/ Debt Forgiveness	Ending Balance	Balance Due Within One Year
Refunding Bonds					
** Series 1991	\$ 3,464,206	\$ -	\$ 2,910,329	\$ 553,877	\$ 553,877
Series 2010	80,200,000	-	9,145,000	71,055,000	9,535,000
Unamortized Premium on 2010 Bond	5,590,126	-	780,017	4,810,109	780,017
Series 2011	6,220,000	-	3,080,000	3,140,000	3,140,000
Revenue Bonds					
QSCB 2011 Bond	79,055,000	-	-	79,055,000	-
Unamortized Premium on QSCB 2011 Bond	485,922	-	64,078	421,844	64,078
Loans					
Community Disaster Loan (CDL)	8,636,118	-	8,636,118	-	-
Interest Payable on Refunding Series 1991	11,807,208	1,111,424	10,852,996	2,065,636	2,256,121
OPEB Obligation Payable	1,017,000	(132,000)	-	885,000	-
Accrued Compensated Absences	8,158,842	(365,791)	-	7,793,051	-
Liability for Claims Payable	36,176,571	(524,381)	-	35,652,190	-
Total Long-Term Obligations	\$ 240,810,993	\$ 89,252	\$ 35,468,538	\$ 205,431,707	\$ 16,329,093

**Interest is compounded and due in the future on previous years interest payable which was recorded as principal.

Bond Indentures

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

Statutory Debt Limit

As of June 30, 2014, the statutory debt limit for general obligation bonds was \$781,710,810, and the net legal debt margin was \$730,192,279.

At June 30, 2014, the primary government has accumulated \$37,256,500 in the debt service funds for future debt requirements.

Revenue Anticipation Note

On October 15, 2013, the School Board issued a revenue anticipation note to pay its current expenses for the fiscal year in the amount of \$50 million with a maturity date of March 31, 2014. The note had a variable interest rate equal to .65 times LIBOR plus 0.325 %. Collateral for the revenue anticipation note are all revenues accruing to the School Board's General Fund for the fiscal year ending June 30, 2014. As of June 30, 2014, the balance of the note was \$-0-.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 10. Leases

Operating Leases

The School Board has a number of operating leases for land, buildings and equipment used for schools and administrative centers. For these leases, the School Board has, as of June 30, 2014, contractual agreements requiring the following annual rental payments:

Fiscal Year Ending June 30,	Amount
2015	\$ 1,011,706
2016	92,000
	<u>\$ 1,103,706</u>

Rental expenditures under operating leases for facilities for the year ended June 30, 2014, amounted to \$651,366.

The School Board owns the building in which its offices are held and created the Enterprise Fund - Timbers Fund. Future annual rental payments for these leases are as follows:

Fiscal Year Ending June 30,	Amount
2015	\$ 413,451
2016	221,934
2017	183,970
2018	159,506
2019	36,653
Thereafter	<u>374,520</u>
Total	<u><u>\$ 1,390,034</u></u>

The following are the amounts expected to be charged internally to the School Board for rent and utilities:

Fiscal Year Ending June 30,	Amount
2015	\$ 202,041
2016	202,041
2017	202,041
2018	202,041
2019	16,837
Total	<u><u>\$ 825,001</u></u>

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 11. Changes in Agency Funds - Deposits Due Others

Agency Fund	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Student Activity	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558
Total	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558

Note 12. Due To/From Other Funds

Individual balances due to/from other funds at June 30, 2014, are as follows:

	Due To Other Funds	Due From Other Funds
Governmental Funds		
General Fund	\$ 95,033,963	\$ 116,415,760
Pass Through Fund	26,587,842	21,576,987
General Obligation Bond Fund	-	753,742
Refunding Bond Fund	-	1,708,843
QSCB Fund	126,173	11,821,502
Hurricane Katrina Restoration Fund	13,606,857	879,365
Capital Projects	27,510,100	2,910,398
QSCB Construction Fund	-	126,173
Master Plan Fund	-	6,779,000
Federal Grant Fund	8,272,673	460,157
Other Non-major Governmental Funds		
Non-major Special Revenue Funds	574,937	4,369,563
Non-major Capital Project Funds	1,812,128	13,730,894
Enterprise Funds	15,499,000	1,298,563
Internal Service Funds	22,553,542	28,395,032
Fiduciary Funds	-	351,236
Total	\$ 211,577,215	\$ 211,577,215

The primary purpose of interfund receivables/payables are to (1) loan monies from the General Fund to individual federal funds to cover grant expenditures pending reimbursement from the respective granting agencies and (2) reflect operating transfers due from the General Fund to other funds. All interfund payables are expected to be repaid within the next fiscal year.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 13. On-Behalf Payments for Fringe Benefits and Salaries

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments. The state of Louisiana made pension contributions directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$38,295. On-behalf revenues and related expense are recorded in the General Fund.

Note 14. Act No. 640

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

Legacy costs as of June 30, 2014 are as follows:

Legacy Costs	2014
Carryover From Prior Fiscal Year	\$ -
Employer's cost of health insurance for retired participants in the Board's plan as of July 1, 2013, not to exceed 25% of total premium costs	920,880
A supplement of \$200 per month for health insurance premiums for retired participants in the Board's plan as of July 1, 2013	720,000
Workers' compensation claims filed against the Board prior to August 29, 2005, including administrative costs	1,184,186
Costs to defend legal claims against the Board prior to August 29, 2005	316,462
Legal claims against the Board after August 29, 2005 attributable to Hurricane Katrina or Act 35 of 1995 1st Extraordinary Session	135,684
Cost of short-term borrowing, including but not limited to attorney fees and interest	118,029
Fee of one-tenth of one percent of total ad valorem and sales taxes collected	242,316
Total	<u>3,637,557</u>
Maximum Allowed	<u>(6,000,000)</u>
Carryover to Next Fiscal Year	<u>\$ -</u>

The exclusion expires (1) once the above costs are extinguished, (2) upon action by the Orleans Parish School Board to reduce the constitutional millage from the level in effect for fiscal year 2009-2010, (3) 12 months following the full settlement of the Orleans Parish School Board Special Community Disaster Loans, or (4) 20 tax years from the roll forward millage adoption, whichever occurs first.

Notes to Financial Statements

Note 15. Litigation and Contingencies

Claims

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

Eddy Oliver, et al. vs. Orleans Parish School Board, CDC No. 2005-12244 (Wrongful Termination)

This class action was brought by approximately 7,000 former School Board employees who allege that they were wrongfully terminated following Hurricane Katrina. A bench trial on liability for the entire class and also on damages as to seven class representatives was held in 2011. On June 20, 2012, the trial court rendered a judgment that held the School Board and the Louisiana Department of Education solidarily liable to the plaintiffs for wrongful termination and awarded \$1,362,632 in total damages to the seven class representatives. A suspensive appeal was taken. Appellate briefs were filed and oral argument was conducted on May 30, 2013. After argument, the appellate court requested additional briefing on the issue of res judicata, and supplemental briefs were filed on July 8, 2013 by the School Board and the State and on July 22, 2013 by the class plaintiffs. On October 31, 2014, the Louisiana Supreme Court issued a ruling which reversed the judgment of the trial court and dismissed the suit in its entirety. The plaintiffs in this action have filed an application for rehearing, requesting the Court reconsider its decision.

John Johnson, et al. vs. Orleans Parish School Board, et al., CDC No. 93-14333 c/w 94-5446, 94-12996, 95-13271 (Toxic Tort)

Plaintiffs filed this environmental class action law suit related to a school built on an allegedly contaminated site. Judgment was rendered in favor of the class and against the School Board (the Housing Authority of New Orleans, and the City of New Orleans were also cast in judgment). The district court approved a procedure for claims of unnamed class-members to be presented to the School Board to determine whether the facts of those claims are consistent with the Board's records. At this time, the Board is engaged in that determination. The School Board's liability estimate is \$12,000,000.

Federal and State Grants

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

FEMA

On August 30, 2010, President Obama announced the Federal Emergency Management Agency's (FEMA) award of \$1.8 billion to the New Orleans Public Schools. This funding, plus an additional \$206 million not discussed in the announcement, represent FEMA's total funding to settle the School Board and the Recovery School District's (RSD) eligible disaster damage claim for school facilities and contents.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 15. Litigation and Contingencies (Continued)

FEMA (Continued)

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

The majority of the FEMA funding awarded to the School Board and RSD has been structured into Alternative Projects under FEMA's Public Assistance program, which allows applicants to designate alternative ways to utilize FEMA funding to support the best interests of the community. This alternate funding vehicle will provide maximum flexibility to facilitate the implementation of the School Facilities Master Plan for Orleans Parish. The School Board has been issued in excess of 200 FEMA Project Worksheets which authorized or obligated \$407 million. As of June 30, 2014 the School Board has submissions to FEMA totaling \$117.5 million and has been reimbursed \$156.6 million. The School Board plans on using the majority of the remaining authorized monies to fund Phase One of the Master Plan, and to recover properly procured and executed work in the years immediately following the disaster.

Construction Contracts

At June 30, 2014, the School Board had construction commitments of approximately \$82.4 million. These commitments will be paid out of the Capital Projects Funds.

Note 16. Interfund Operating Transfers

Interfund operating transfers for the year ended June 30, 2014, were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 1,758,208	\$ 8,607
Pass Through Fund	87,885	-
Refunding Bond Fund	2,795,772	2,795,772
QSCB 2011 Fund	2,947,083	
Capital Projects Fund	-	889,921
QSCB Construction Fund	8,607	151,311
Federal Grant Fund	-	1,758,208
Non-Major Governmental Funds		
Non-Major Special Revenue Funds	-	87,885
Non-Major Debt Service Funds	-	2,795,772
Proprietary Funds		
Enterprise Funds	889,921	-
Total	\$ 8,487,476	\$ 8,487,476

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 17. Risk Management

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

Employee Health Insurance/Retiree Health Insurance

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

Workers' Compensation Insurance

This fund is used to account for claims arising from employment related injuries prior to July 1, 2006. The School Board maintained a self-insurance plan, which included the purchase of insurance for claims in excess of \$500,000 per occurrence. The workers' compensation limit for each accident is the statutory amount. At June 30, 2014, there were 57 active claims.

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

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

	Employee Health Insurance Fund	Retiree Health Insurance Fund	Workers' Compensation Fund	Litigated Claims	Total
Unpaid Claims, as Previously Reported June 30, 2013	\$ 84,109	\$ 540,491	\$ 2,539,842	\$ 36,176,571	\$ 39,341,013
Current Year Claims Incurred and Changes in Estimates	3,545,142	3,243,691	854,401	(524,381)	7,118,853
Claims Paid	(3,541,478)	(3,239,955)	(1,184,186)	-	(7,965,619)
Unpaid Claims as of Year Ended June 30, 2014	\$ 87,773	\$ 544,227	\$ 2,210,057	\$ 35,652,190	\$ 38,494,247

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 18. Deficits in Fund Equity

The Hurricane Katrina Restoration Fund has a fund deficit of \$23,601,325. This fund deficit is expected to be funded by making a draw down from the funds set aside for the School Board by FEMA as discussed in Note 15.

The Master Plan Fund has a fund deficit of \$7,014,374. This fund deficit is expected to be funded through reimbursement from funding sources for allowable expenditures that have been incurred.

The CDBG Capital Projects Fund has a fund deficit of \$3,483,083. This fund deficit is expected to be funded through reimbursement from funding sources for allowable expenditures that have been incurred.

The Federal Grant Fund has a fund deficit of \$21,952. This fund deficit is expected to be funding through reimbursement from funding sources for allowable expenditures that have been incurred.

Note 19. Contingency for Unbilled Federal Revenue

Included in Due from Other Governments are \$2,592,331 of amounts that are unbilled. At this time, it is uncertain whether all of these amounts will be recovered under the federal programs as they are recorded. Once the School Board has billed these amounts and received the reimbursements, adjustments will be recorded as required.

Note 20. Fund Balances

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

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

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

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

Restricted for Capital Projects – This restriction was established for capital purchases which will be used in future fiscal periods.

Committed for Capital Projects – This represents the refund received from overpayment of the FEMA Special Community Disaster Loan which was forgiven in full as of June 30, 2014. Per the CEA with the RSD, these funds were to be utilized for repairs and maintenance of school buildings.

Assigned to Special Projects – This represents the unexpended portion of unrestricted monies received by the School Board and designated for special programs.

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA

Notes to Financial Statements

Note 20. Fund Balances (Continued)

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

Note 21. New Market Tax Credit Transactions

The School Board and OSFF have entered into two New Market Tax Credit transactions (NMTCS) to provide financing for the construction and development of charter schools located in New Orleans, Louisiana. OSFF is a public benefit corporation which will serve as leverage lender. OSFF is a component unit of the School Board as described in Note 1 to the financial statements.

Phyllis S. Wheatley School

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

McDonogh 42 Elementary School

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

Notes to Financial Statements

Note 22. Recent Reporting and Disclosure Developments

As of June 30, 2014, the Government Accounting Standards Board has issued several statements not yet implemented by the School Board. The Statements, which might impact the School Board, are as follows:

Governmental Accounting Standards Board Statement No. 67 (GASB 67)

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013.

Governmental Accounting Standards Board Statement No. 68 (GASB 68)

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, in June 2012. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pension. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

Governmental Accounting Standards Board Statement No. 69 (GASB 69)

The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

Governmental Accounting Standards Board Statement No. 70 (GASB 70)

The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, in April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

Governmental Accounting Standards Board Statement No. 71 (GASB 71)

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement 68.

Note 23. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 4, 2014, and determined that there were no events, except as noted above, which occurred which require disclosure. No subsequent events occurring after the date above have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION - (PART II)
BUDGETARY COMPARISON SCHEDULES
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 14,392,463	\$ 11,739,312	\$ 11,564,408	\$ (174,904)
Sales and Use Tax (Including Vehicle)	6,161,569	6,354,274	6,894,345	540,071
Earnings on Investments	100,000	100,000	46,591	(53,409)
Donations	-	-	50	50
Other	2,932,588	2,932,588	4,110,419	1,177,831
State and Federal Sources				
Minimum Foundation Program	12,047,490	12,652,959	12,652,956	(3)
State Revenue Sharing	-	254,864	2,719,832	2,464,968
Other	3,584,045	3,687,804	854,557	(2,833,247)
Federal Sources	491,082	491,082	74,839	(416,243)
Total Revenues	39,709,237	38,212,883	38,917,997	705,114
Expenditures				
Current				
Instruction				
Regular Programs	12,383,934	11,421,932	11,266,628	155,304
Special Programs	3,147,745	3,146,008	3,239,265	(93,257)
Other Programs	1,953,361	2,176,161	1,950,512	225,649
Support				
Student Services	1,800,807	1,892,863	2,092,943	(200,080)
Instructional Staff Support	1,572,578	1,789,496	1,817,001	(27,505)
General Administration	2,854,037	2,646,037	2,705,463	(59,426)
School Administration	2,581,292	2,600,820	2,423,014	177,806
Business Services	3,467,617	2,087,017	1,960,726	126,291
Student Transportation Services	3,230,257	3,186,810	3,165,738	21,072
Central Services	3,932,438	3,828,214	3,809,623	18,591
Plant Services	6,557,061	6,439,703	6,373,241	66,462
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	877,334	590,962	-	590,962
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	40,000	40,000	-	40,000
Total Expenditures	44,398,461	41,846,023	40,804,154	1,041,869
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,689,224)	(3,633,140)	(1,886,157)	1,746,983

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule (Continued)
 General Fund
 Fiscal Year Ended June 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Other	-	-	710,243	710,243
Transfers In	5,500,000	4,100,000	1,758,208	(2,341,792)
Transfers Out	-	-	(8,607)	(8,607)
Appropriations from Prior Year Budgetary Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	5,500,000	4,100,000	2,459,844	(1,640,156)
Net Change in Fund Balance - Budgetary Basis	\$ 810,776	\$ 466,860	573,687	\$ 106,827
Fund Balance, June 30, 2014			46,878,062	
Less: Appropriations from Beginning of Year Fund Balance			-	
Fund Balance - Budgetary Basis, June 30, 2014			\$ 47,451,749	

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule
 Pass-Through Fund
 Fiscal Year Ended June 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ 110,393,576	\$ 110,393,576	\$ 110,393,576	\$ -
Sales and Use Tax (Including Vehicle)	92,134,940	92,134,940	92,134,940	-
Earnings on Investments	-	-	-	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	38,667,760	38,667,760	38,667,760	-
State Revenue Sharing	-	-	-	-
Other	1,007,092	1,007,092	1,007,092	-
Federal Sources	-	-	-	-
Total Revenues	242,203,368	242,203,368	242,203,368	-
Expenditures				
Current				
Instruction				
Regular Programs	-	-	-	-
Special Programs	-	-	-	-
Other Programs	-	-	-	-
Support				
Student Services	-	-	-	-
Instructional Staff Support	-	-	-	-
General Administration	7,618,349	7,618,349	7,618,349	-
School Administration	-	-	-	-
Business Services	-	-	-	-
Student Transportation Services	-	-	-	-
Central Services	-	-	-	-
Plant Services	-	-	-	-
Other	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	7,618,349	7,618,349	7,618,349	-
Excess of Revenues Over Expenditures	234,585,019	234,585,019	234,585,019	-

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule (Continued)
 Pass Through Fund
 Fiscal Year Ended June 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Transfers In	87,885	87,885	87,885	-
Transfers Out	-	-	-	-
Transfers Out - Charters and RSD	(224,431,202)	(224,431,202)	(224,431,202)	-
Other	(10,241,702)	(10,241,702)	(10,241,702)	-
Total Other Financing Sources (Uses)	(234,585,019)	(234,585,019)	(234,585,019)	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, June 30, 2013	-	-	-	-
Fund Balance, June 30, 2014	\$ -	\$ -	\$ -	\$ -

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule
 Federal Grant Fund
 Fiscal Year Ended June 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax (Including Vehicle)	-	-	-	-
Earnings on Investments	-	-	-	-
Other	-	-	-	-
State and Federal Sources				
Minimum Foundation Program	-	-	-	-
State Revenue Sharing	-	-	-	-
Other	-	-	-	-
Federal Sources	27,368,845	27,368,845	27,368,845	-
Total Revenues	27,368,845	27,368,845	27,368,845	-
Expenditures				
Current				
Instruction				
Regular Programs	335,664	335,664	335,664	-
Special Programs	2,821,036	2,821,036	2,821,036	-
Other Programs	13,764,424	13,764,424	13,764,424	-
Support				
Student Services	3,285,442	3,285,442	3,285,442	-
Instructional Staff Support	5,251,233	5,251,233	5,251,233	-
General Administration	-	-	-	-
School Administration	10,154	10,154	10,154	-
Business Services	5,118	5,118	5,118	-
Student Transportation Services	71,786	71,786	71,786	-
Central Services	82,483	82,483	82,483	-
Plant Services	5,249	5,249	5,249	-
Other	-	-	-	-
Food Services	-	-	-	-
Capital Outlay	-	-	-	-
Other	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	25,632,589	25,632,589	25,632,589	-
Excess of Revenues Over Expenditures	1,736,256	1,736,256	1,736,256	-

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Budgetary Comparison Schedule (Continued)
 Federal Grant Fund
 Fiscal Year Ended June 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Transfers In	-	-	-	-
Transfers Out	(1,758,208)	(1,758,208)	(1,758,208)	-
Transfers Out - Charters and RSD	-	-	-	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	(1,758,208)	(1,758,208)	(1,758,208)	-
Net Change in Fund Balance	(21,952)	(21,952)	(21,952)	-
Fund Balance, June 30, 2013	-	-	-	-
Fund Balance, June 30, 2014	\$ (21,952)	\$ (21,952)	\$ (21,952)	\$ -

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Other Post-Employment Benefits Information
 Fiscal Year Ended June 30, 2014

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2014	7/1/2013	\$ -	\$ 17,508,000	\$ 17,508,000	0%	\$ 31,380,631	56%
2013	7/1/2012	-	34,978,000	34,978,000	0%	31,116,478	112%
2012	7/1/2011	-	35,092,000	35,092,000	0%	33,082,275	106%

Actuarial Assumptions 2014

Actuarial Cost Method	Projected Unit Credit Cost
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years - Open Basis
Asset Valuation Method	Not Funded
Investment Rate of Return	4.5%
Projected Salary Increases	3.5%

Actuarial Assumptions 2013

Actuarial Cost Method	Projected Unit Credit Cost
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years - Open Basis
Asset Valuation Method	Not Funded
Investment Rate of Return	4.5%
Projected Salary Increases	3.0%

Actuarial Assumptions 2012

Actuarial Cost Method	Projected Unit Credit Cost
Amortization Method	Level Percentage of Payroll
Amortization Period	30 Years - Open Basis
Asset Valuation Method	Not Funded
Investment Rate of Return	4.5%
Projected Salary Increases	3.5%

OTHER SUPPLEMENTARY INFORMATION

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet - By Fund Type
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue	Debt Service	Capital Project	Total
Assets				
Cash	\$ 2,196	\$ -	\$ -	\$ 2,196
Due from Other Funds	4,369,563	-	13,730,894	18,100,457
Due from Other Governments	1,245,437	-	4,000,000	5,245,437
Inventory	41,974	-	-	41,974
Total Assets	\$ 5,659,170	\$ -	\$ 17,730,894	\$ 23,390,064
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 165,921	\$ -	\$ 1,734,977	\$ 1,900,898
Due to Other Funds	574,937	-	1,812,128	2,387,065
Due to Other Governments	-	-	6,319,892	6,319,892
Unearned Revenues	158,656	-	-	158,656
Total Liabilities	899,514	-	9,866,997	10,766,511
Fund Balances				
Nonspendable:				
Inventory	41,974	-	-	41,974
Restricted for:				
Capital Projects	-	-	9,929,074	9,929,074
Debt Service	-	-	-	-
Committed for:				
Capital Projects	-	-	1,417,906	1,417,906
Assigned to:				
Special Programs	4,717,682	-	-	4,717,682
Unassigned	-	-	(3,483,083)	(3,483,083)
Total Fund Balances	4,759,656	-	7,863,897	12,623,553
Total Liabilities and Fund Balances	\$ 5,659,170	\$ -	\$ 17,730,894	\$ 23,390,064

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - By Fund Type
Non-Major Governmental Funds
Fiscal Year Ended June 30, 2014

	Special Revenue	Debt Service	Capital Project	Total
Revenues				
Local Sources				
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ -
Food Services	630,642	-	-	630,642
Donations	614,374	-	8,000,000	8,614,374
State and Federal				
Minimum Foundation Program	176,608	-	-	176,608
Federal Funds	5,960,000	-	13,183,646	19,143,646
Other	1,099,793	-	4,892,601	5,992,394
Total Revenues	8,481,417	-	26,076,247	34,557,664
Expenditures				
Instruction				
Regular Education Programs	361,771	-	-	361,771
Special Education Programs	50,238	-	-	50,238
Other Education Programs	873,362	-	-	873,362
Support				
Student Services	119,083	-	-	119,083
Instructional Staff Services	40,346	-	-	40,346
General Administration	-	-	-	-
School Administration	37,412	-	-	37,412
Business Services	168,478	-	-	168,478
Plant Services	11,243	-	66,982	78,225
Food Services	6,051,146	-	-	6,051,146
Capital Outlay	-	-	11,678,201	11,678,201
Debt Service				
Interest and Bank Charges	-	-	-	-
Total Expenditures	7,713,079	-	11,745,183	19,458,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	768,338	-	14,331,064	15,099,402
Other Financing Sources and Uses				
Proceeds from Debt Service	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(87,885)	(2,795,772)	-	(2,883,657)
Transfers Out - Charter Schools	-	-	(5,690,394)	(5,690,394)
Transfers Out - Recovery School District	-	-	(3,474,695)	(3,474,695)
Total Other Financing Sources (Uses)	(87,885)	(2,795,772)	(9,165,089)	(12,048,746)
Net Change in Fund Balance	680,453	(2,795,772)	5,165,975	3,050,656
Fund Balance, June 30, 2013	4,079,203	2,795,772	2,697,922	9,572,897
Fund Balance, June 30, 2014	\$ 4,759,656	\$ -	\$ 7,863,897	\$ 12,623,553

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet
 Non-Major Special Revenue Funds
 June 30, 2014

	State and Local	Child Nutrition	Non-Recurring Operational	Total
Assets				
Cash	\$ -	\$ 2,196	\$ -	\$ 2,196
Due from Other Funds	556,627	2,798,638	1,014,298	4,369,563
Due from Other Governments	636,449	608,988	-	1,245,437
Inventory	-	41,974	-	41,974
Total Assets	\$ 1,193,076	\$ 3,451,796	\$ 1,014,298	\$ 5,659,170
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 29,743	\$ 136,178	\$ -	\$ 165,921
Due to Other Funds	574,937	-	-	574,937
Unearned Revenues	158,656	-	-	158,656
Total Liabilities	763,336	136,178	-	899,514
Fund Balances				
Nonspendable:				
Inventory	-	41,974	-	41,974
Assigned to:				
Special Programs	429,740	3,273,644	1,014,298	4,717,682
Total Fund Balances	429,740	3,315,618	1,014,298	4,759,656
Total Liabilities and Fund Balances	\$ 1,193,076	\$ 3,451,796	\$ 1,014,298	\$ 5,659,170

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
Fiscal Year Ended June 30, 2014

	State and Local	Child Nutrition	Non-Recurring Operational	Total
Revenues				
Local Sources				
Food Services	\$ -	\$ 630,642	\$ -	\$ 630,642
Donations	614,374	-	-	614,374
Other	-	-	-	-
State and Federal				
Minimum Foundation Program	-	176,608	-	176,608
Federal Funds	-	5,960,000	-	5,960,000
Other	1,099,793	-	-	1,099,793
Total Revenues	1,714,167	6,767,250	-	8,481,417
Expenditures				
Instruction				
Regular Education Programs	361,771	-	-	361,771
Special Education Programs	50,238	-	-	50,238
Other Education Programs	873,362	-	-	873,362
Support				
Student Services	119,083	-	-	119,083
Instructional Staff Support	40,346	-	-	40,346
School Administration	37,412	-	-	37,412
Business Services	37,500	-	130,978	168,478
Central Services	-	-	-	-
Plant Services	111	-	11,132	11,243
Food Services	-	6,051,146	-	6,051,146
Total Expenditures	1,519,823	6,051,146	142,110	7,713,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	194,344	716,104	(142,110)	768,338
Other Financing Sources and Uses				
Transfers In	-	-	-	-
Transfers Out	-	(87,885)	-	(87,885)
Total Other Financing Sources (Uses)	-	(87,885)	-	(87,885)
Net Change in Fund Balance	194,344	628,219	(142,110)	680,453
Fund Balance, June 30, 2013	235,396	2,687,399	1,156,408	4,079,203
Fund Balance, June 30, 2014	\$ 429,740	\$ 3,315,618	\$ 1,014,298	\$ 4,759,656

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet
 Non-Major Debt Service Funds
 June 30, 2014

	Community Disaster Loan	Total
Assets		
Due from Other Funds	\$ -	\$ -
Total Assets	\$ -	\$ -
Liabilities and Fund Balances		
Liabilities		
Due to Other Funds	\$ -	\$ -
Total Liabilities	-	-
Fund Balances		
Restricted for Debt Service	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Non-Major Debt Service Funds
 Fiscal Year Ended June 30, 2014

	Community Disaster Loan	Total
Revenues		
Local Sources		
Sales and Use Tax	\$ -	\$ -
Total Revenues	-	-
Expenditures		
Support		
General Administration	-	-
Debt Service		
Principal Retirement	-	-
Interest and Bank Charges	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Uses and Sources		
Proceeds from Debt Service	-	-
Transfer In	-	-
Transfers Out	(2,795,772)	(2,795,772)
Total Other Financing Sources (Uses)	(2,795,772)	(2,795,772)
Net Change in Fund Balance	(2,795,772)	(2,795,772)
Fund Balance, June 30, 2013	2,795,772	2,795,772
Fund Balance, June 30, 2014	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Balance Sheet
 Non-Major Capital Projects Funds
 June 30, 2014

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Direct-Run Schools R&M Capital Projects	Total
Assets					
Due from Other Funds	\$ 5,008,416	\$ 3,825,400	\$ 4,477	\$ 4,892,601	\$ 13,730,894
Due from Other Governments	-	4,000,000	-	-	4,000,000
Total Assets	\$ 5,008,416	\$ 7,825,400	\$ 4,477	\$ 4,892,601	\$ 17,730,894
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ -	\$ 59,545	\$ 1,675,432	\$ -	\$ 1,734,977
Due to Other Funds	-	-	1,812,128	-	1,812,128
Due to Other Governments	-	2,845,197	-	3,474,695	6,319,892
Total Liabilities	-	2,904,742	3,487,560	3,474,695	9,866,997
Fund Balances					
Restricted for Capital Projects	5,008,416	4,920,658	-	-	9,929,074
Committed for Capital Projects	-	-	-	1,417,906	1,417,906
Unassigned	-	-	(3,483,083)	-	(3,483,083)
Total Fund Balances	5,008,416	4,920,658	(3,483,083)	1,417,906	7,863,897
Total Liabilities and Fund Balances	\$ 5,008,416	\$ 7,825,400	\$ 4,477	\$ 4,892,601	\$ 17,730,894

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Non-Major Capital Projects Funds
 Fiscal Year Ended June 30, 2014

	G.O. Bond Capital Project Fund	Harrah's Casino Capital Projects	CDBG Capital Projects	Direct-Run Schools R&M Capital Projects	Total
Revenues					
Local Sources					
Donations	\$ -	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
State and Federal					
Federal Funds	-	-	13,183,646	-	13,183,646
Other	-	-	-	4,892,601	4,892,601
Total Revenues	-	8,000,000	13,183,646	4,892,601	26,076,247
Expenditures					
Support					
Plant Services	44,482	22,500	-	-	66,982
Capital Outlay	17,500	307,775	11,352,926	-	11,678,201
Total Expenditures	61,982	330,275	11,352,926	-	11,745,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,982)	7,669,725	1,830,720	4,892,601	14,331,064
Other Financing Sources and Uses					
Transfers In	-	-	-	-	-
Transfer Out	-	-	-	-	-
Transfers Out - Charter Schools	-	(5,690,394)	-	-	(5,690,394)
Transfers Out - Recovery School District	-	-	-	(3,474,695)	(3,474,695)
Total Other Financing Sources (Uses)	-	(5,690,394)	-	(3,474,695)	(9,165,089)
Net Change in Fund Balance	(61,982)	1,979,331	1,830,720	1,417,906	5,165,975
Fund Balance, June 30, 2013	5,070,398	2,941,327	(5,313,803)	-	2,697,922
Fund Balance, June 30, 2014	\$ 5,008,416	\$ 4,920,658	\$ (3,483,083)	\$ 1,417,906	\$ 7,863,897

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Net Position
 Proprietary Fund Type - Internal Service Funds
 June 30, 2014

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Assets					
Cash and Cash Equivalents	\$ -	\$ 1,894,176	\$ -	\$ -	\$ 1,894,176
Other Receivables	-	-	-	168,928	168,928
Due from Other Funds	17,278,187	953,131	10,163,714	-	28,395,032
Due from Other Governments	-	-	-	-	-
Total Assets	17,278,187	2,847,307	10,163,714	168,928	30,458,136
Liabilities and Net Position					
Liabilities					
Accounts Payable	199,508	189,710	52,023	-	441,241
Due to Other Funds	16,601,630	34,006	5,748,978	168,928	22,553,542
Liability Claims Payable	87,773	544,227	2,210,057	-	2,842,057
Unearned Revenue	389,276	2,079,364	2,152,656	-	4,621,296
Total Liabilities	17,278,187	2,847,307	10,163,714	168,928	30,458,136
Net Position					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Revenues, Expenses
 and Changes in Net Position
 Proprietary Fund Type - Internal Service Funds
 Fiscal Year Ended June 30, 2014

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Operating Revenues					
Employer Contributions	\$ 3,528,374	\$ 1,785,229	\$ 1,799,616	\$ -	\$ 7,113,219
Retiree Contributions	-	1,454,726	-	-	1,454,726
Employee Contributions	13,104	-	-	-	13,104
Workers Compensation Reimbursement	-	-	-	-	-
Total Operating Revenues	3,541,478	3,239,955	1,799,616	-	8,581,049
Operating Expenses					
General Administrative	-	-	59,080	-	59,080
Central Services	3,541,478	3,239,955	1,740,536	-	8,521,969
Unearned Revenue	3,541,478	3,239,955	1,799,616	-	8,581,049
Operating Income	-	-	-	-	-
Nonoperating Revenues					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Change in Net Position	-	-	-	-	-
Net Position at June 30, 2013	-	-	-	-	-
Net Position at June 30, 2014	\$ -	\$ -	\$ -	\$ -	\$ -

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Combining Statement of Cash Flows
Proprietary Fund Type - Internal Service Funds
Fiscal Year Ended June 30, 2014

	Employee Health Insurance	Retiree Health Insurance	Workers' Compensation Insurance	E-Rate	Total Internal Service Funds
Cash Flows from Operating Activities					
Cash Premiums Received	\$ 80,939	\$ 2,277,198	\$ 1,184,186	\$ (168,928)	\$ 3,373,395
Cash Paid in Claims and Benefits	(80,939)	(3,225,835)	(1,184,186)	168,928	(4,322,032)
Net Cash Used in Operating Activities	-	(948,637)	-	-	(948,637)
Cash Flows from Non-Capital Financing Activities					
Interfund Transfers	-	-	-	-	-
Net Cash Provided by Non-Capital Financing Activities	-	-	-	-	-
Net Decrease in Cash	-	(948,637)	-	-	(948,637)
Cash, Beginning of Year	-	2,842,813	-	-	2,842,813
Cash, End of Year	\$ -	\$ 1,894,176	\$ -	\$ -	\$ 1,894,176
Reconciliation of Operating Income to Net Cash Used in Operating Activities					
Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:					
Changes in:					
Other Receivables	432	136,240	-	(97,090)	39,582
Due from Other Funds	(2,640,486)	(954,648)	(144,807)	-	(3,739,941)
Accounts Payable	30,874	10,384	(421,418)	-	(380,160)
Unearned Revenue	(820,485)	(144,349)	466,180	-	(498,654)
Due to Other Funds	3,426,001	-	429,830	97,090	3,952,921
Claims Payable/Self-Insured	3,664	3,736	(329,785)	-	(322,385)
Net Cash Used in Operating Activities	\$ -	\$ (948,637)	\$ -	\$ -	\$ (948,637)

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Assets and Liabilities
 Fiduciary Fund Type - Agency Funds
 June 30, 2014

	Student Activity	Agency Total
<hr/>		
Assets		
Cash	\$ 269,558	\$ 269,558
	<hr/>	
Total Assets	<u>\$ 269,558</u>	<u>\$ 269,558</u>
Liabilities		
Due to Student Groups	\$ 269,558	\$ 269,558
	<hr/>	
Total Liabilities	<u>\$ 269,558</u>	<u>\$ 269,558</u>

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Combining Statement of Changes in Assets and Liabilities
 Fiduciary Fund Type - Agency Funds
 Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Additions/ Transfers to OPSB	Deductions	Balance June 30, 2014
Student Activity				
Assets				
Cash	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558
Total Assets	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558
Liabilities				
Accounts Payable	\$ 45,420	\$ -	\$ 45,420	\$ -
Due to Student Groups	174,287	994,045	898,774	269,558
Total Liabilities	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558
Total Agency Funds				
Assets				
Cash	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558
Total Assets	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558
Liabilities				
Accounts Payable	\$ 45,420	\$ -	\$ 45,420	\$ -
Due to Student Groups	174,287	994,045	898,774	269,558
Total Liabilities	\$ 219,707	\$ 994,045	\$ 944,194	\$ 269,558

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Government-Wide Expenses by Function
 For the Three Years Ended June 30, 2014

(Unaudited)

Governmental Activities	2014	2013	2012
Instruction			
Regular Education Programs	\$ 15,196,874	\$ 16,614,774	\$ 14,456,934
Special Education Programs	7,721,568	6,477,596	21,125,509
Other Education Programs	20,961,766	27,251,809	10,258,296
Support Services			
Student Services	6,946,863	6,056,891	6,416,504
Instructional Staff Support	8,982,741	7,479,352	8,522,463
General Administration	14,269,942	12,975,305	14,163,953
School Administration Services	3,121,943	3,009,496	2,888,897
Business Services	2,763,926	2,110,917	2,155,218
Student Transportation Services	4,096,178	3,941,658	4,520,742
Central Services	4,986,110	3,461,728	3,207,763
Plant Services	11,808,290	9,232,493	14,699,628
Other	10,241,702	21,914,918	563,236
Food Services	6,051,146	5,452,790	4,661,895
Transfer to Charter Schools and RSD	242,596,291	195,739,887	189,111,737
Interest on Long-Term Debt	2,621,318	5,030,902	11,903,516
Total Governmental Activities	\$ 362,366,658	\$ 326,750,516	\$ 308,656,291

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Government-Wide Revenues
 For the Three Years Ended June 30, 2014

(Unaudited)

Governmental Activities	2014	2013	2012
Program Revenues			
Charges for Services	\$ 917,812	\$ 582,504	\$ 1,497,632
Operating Grants and Contributions	36,979,554	43,761,262	39,318,354
Capital Grants and Contributions	100,729,786	9,295,834	15,339,224
General Revenues			
Ad Valorem Taxes	136,834,464	133,691,064	120,447,536
Sales and Use Taxes	113,721,226	108,119,002	90,820,786
State Revenue Sharing	2,719,832	2,455,088	2,253,417
Minimum Foundation Program (MFP)	51,497,324	46,048,138	42,342,377
Interest and Investment Earnings	135,717	175,947	370,195
Insurance Proceeds	12,830,745		
CDL Debt Forgiveness	8,636,118	-	8,298,250
CDL Refund	4,892,601	-	-
Miscellaneous	9,030,517	6,208,367	22,471,027
Total Governmental Activities	\$ 478,925,696	\$ 350,337,206	\$ 343,158,798

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 General Fund Expenditures by Function
 Last Ten Fiscal Years
 June 30, 2014

(Unaudited)

Governmental Activities	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010
Instructional					
Regular Programs	\$ 11,266,628	\$ 13,027,746	\$ 10,783,639	\$ 9,708,233	\$ 11,741,153
Special Programs	3,239,265	3,183,692	3,029,204	2,881,996	2,224,169
Other Programs	1,950,512	1,967,446	2,051,161	2,411,786	1,485,948
Support Services					
Student Services	2,092,943	2,097,799	2,181,313	2,026,753	1,060,801
Instructional Staff Support	1,817,001	1,689,262	1,564,722	1,417,888	1,127,846
General Administration	2,705,463	2,389,186	4,076,291	4,262,910	3,000,371
School Administration	2,423,014	2,401,313	2,378,693	2,017,519	1,457,434
Business Administration					
Business Services	1,960,726	1,763,709	1,639,885	1,886,694	2,041,587
Plant Services	6,373,241	5,570,994	5,699,167	5,928,194	5,361,358
Student Transportation Services	3,165,738	3,206,358	3,468,801	3,159,234	2,551,994
Central Services	3,809,623	2,769,916	2,496,616	2,745,644	3,475,355
Food Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Other	-	-	5,783	5,412	370,000
Debt Service	-	-	-	-	-
Total	\$ 40,804,154	\$ 40,067,421	\$ 39,375,275	\$ 38,452,263	\$ 35,898,016

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 General Fund Expenditures by Function (Continued)
 Last Ten Fiscal Years
 June 30, 2014

(Unaudited)

Governmental Activities	2008 - 2009	2007 - 2008	2006 - 2007	2005 - 2006	2004 - 2005
Instructional					
Regular Programs	\$ 12,293,081	\$ 13,135,211	\$ 14,704,750	\$ 37,609,376	\$ 165,776,902
Special Programs	2,297,469	2,248,217	1,644,518	8,751,997	53,973,784
Other Programs	1,682,444	1,896,083	953,387	4,031,308	7,104,077
Support Services					
Student Services	1,937,578	2,441,699	1,701,780	4,756,256	31,991,866
Instructional Staff Support	1,929,356	2,230,574	1,057,502	1,503,732	12,493,798
General Administration	3,249,389	12,816,283	7,130,149	5,193,536	11,867,615
School Administration	1,593,290	1,794,791	1,434,032	4,320,659	22,885,725
Business Administration					
Business Services	2,181,043	2,706,386	8,120,944	17,073,174	9,401,343
Plant Services	5,869,546	8,917,945	13,317,687	17,602,740	46,288,702
Student Transportation Services	2,837,647	2,567,773	4,908,926	1,842,567	17,033,284
Central Services	1,718,313	10,136,366	8,265,779	2,189,754	19,227,657
Food Services	-	-	-	-	130,967
Capital Outlay	-	61	41,782	-	630,225
Other	5,911,773	-	7,619	771,580	39,660
Debt Service	-	-	-	3,624,851	1,070,912
Total	\$ 43,500,929	\$ 60,891,389	\$ 63,288,855	\$ 109,271,530	\$ 399,916,517

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

Independent Auditor's Report

To the Orleans Parish School Board
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 4, 2014. Our report includes a reference to other auditors who audited the financial statements of the following aggregate discretely presented component units: Bricolage Academy, Encore Learning, Homer A. Plessy Community School, Hynes Charter School, InspireNOLA Charter Schools - Alice M. Harte Elementary and Edna Karr High School, Lusher Charter School, New Orleans Charter Science and Math High School, Robert Russa Moton Charter School, and Warren Easton Senior High School, as described in our report on the School Boards financial statements. The report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

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

A Professional Accounting Corporation

Metairie, LA
December 4, 2014

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

To the Orleans Parish School Board
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Orleans Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

An Independently Owned Member, McGladrey Alliance

The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the School Board as of and for the year ended June 30, 2014, and have issued our report thereon dated December 4, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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



A Professional Accounting Corporation

Metairie, LA
December 4, 2014

**ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor No.	School Board Expenditures	Charter Pass-Through Expenditures
United States Department of Agriculture				
Passed Through Louisiana Department of Agriculture				
Noncash Assistance (Commodities):				
National School Lunch Program	10.555	-	\$ 423,751	\$ -
Noncash Assistance Subtotal			<u>423,751</u>	<u>-</u>
Cash Assistance:				
School Breakfast Program	10.553	-	1,378,685	-
National School Lunch Program	10.555	-	3,863,692	-
Summer Food Service Program for Children	10.559	-	293,872	-
Cash Assistance Subtotal			<u>5,536,249</u>	<u>-</u>
Total United States Department of Agriculture			<u>5,960,000</u>	<u>-</u>
United States Department of Defense				
ROTC	12.998	-	74,839	-
Total United States Department of Defense			<u>74,839</u>	<u>-</u>
United States Department of Housing and Urban Development				
Passed through the Louisiana Office of Community Development				
Community Development Block Grant	14.228	-	13,183,646	-
Total United States Department of Housing and Urban Development			<u>13,183,646</u>	<u>-</u>
United States Department of Education				
Passed through the Louisiana Department of Education				
No Child Left Behind Act (NCLB)				
Title I	84.010A	28-13-T1-36	11,186,275	3,875,465
Title I - Striving Readers Comprehensive Literacy Program	84.371C	28-14-SO-36	814,412	-
Title II, Part A - Elementary and Secondary Education Act	84.367A	28-13-50-36	2,636,966	808,097
Title III	84.365A	28-13-60-36	91,336	-
Title IV	84.186A	28-10-70-36	9,116	-
Title IV - Twenty-First Century Community Learning Centers	84.287	28-14-C8-36	317,786	305,906
McKinney-Vento Homeless Assistance Act - Title VII	84.387A	28-13-H1-36	85,193	-
Individuals with Disabilities and Exceptionalities Act (IDEA)				
IDEA Part B	84.027A	28-13-B1-36	5,256,175	709,504
IDEA Special Education High Risk Pool	84.027A	28-13-B1-36	30,882	34,593
IDEA Preschool	84.173A	28-13-P1-36	153,482	-
Vocational Education				
Carl Perkins	84.048	28-13-02-36	162,219	-
Hurricane Educator Assistance Program (HEAP)	84.938K	28-08-HE-36	261,638	53,887
Total United States Department of Education			<u>21,005,480</u>	<u>5,787,452</u>
United States Department of Health and Human Services				
Passed through the Louisiana Department of Education				
Affordable Care Act (ACA) Grants for School-Based Health Centers Capital Program	93.501	-	500,000	-
Temporary Assistance for Needy Families (TANF) After School For All	93.558B	-	381,111	194,806
Total United States Department of Health and Human Services			<u>881,111</u>	<u>194,806</u>

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor No.	School Board Expenditures	Charter Pass-Through Expenditures
United States Department of Homeland Security Passed through the Louisiana Department of Education Disaster Grants - Public Assistance	97.036	-	\$ 79,046,136	\$ -
Total United States Department of Homeland Security			<u>79,046,136</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>120,151,212</u>	<u>5,982,258</u>
				<u>\$ 126,133,470</u>

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Notes to Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2014

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Orleans Parish School Board and is presented on the modified accrual basis of accounting. Commodities received, which are non-cash revenue are valued at prices provided by the U.S. Department of Agriculture. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2. Reconciliation to the Basic Financial Statements

The expenditures listed in the accompanying schedule are reported in the following funds in either the governmental funds statement of revenues, expenditures and changes in fund balances (basic statement) or the non-major special revenue funds combining statement of revenues, expenditures and changes in fund balance, (supplementary information) of the Orleans Parish School Board's June 30, 2014, financial statements.

General Fund	\$ 74,839
Hurricane Katrina Restoration Fund	79,546,140
Federal Grant Fund	27,368,845
CDBG Capital Projects Fund	13,183,646
Child Nutrition Fund	<u>5,960,000</u>
Financial Statement Total	<u>\$ 126,133,470</u>
 Schedule of Expenditures of Federal Awards Total	 <u>\$ 126,133,470</u>

Note 3. Loans Payable to Federal Agency

The School Board had Federal Community Disaster Loans (the Loans) of \$8,636,118 as of June 30, 2014. During the year ended June 30, 2014, the balance of principal and accrued interest on the loans was forgiven and a refund of excess payments made by the School Board was received totaling \$4,892,601.

Note 4. Prior Year Expenditures Submitted for Reimbursement

During the year ended June 30, 2014, the School Board submitted claims for reimbursement for expenditures from previous years which were not previously submitted for claims. As a result, revenues exceeded expenditures in the Hurricane Katrina Restoration fund and CDBG Capital Projects fund.

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2014

Section 1 Summary of Auditor's Results

Financial Statements

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

Federal Awards

1.	Internal control over major programs	
	a. Material weaknesses identified	No
	b. Significant deficiencies identified	No
2.	Type of auditors' report issued on compliance for major programs	Unmodified
3.	Audit findings disclosed that are required in accordance with Section 510(a) of, OMB Circular A-133	No
4.	Was a management letter issued?	Yes
5.	Identification of major programs	
	Child Nutrition Cluster:	
	School Breakfast Program	10.553
	National School Lunch Program	10.555
	Summer Food Service Program for Children	10.559
	Individuals with Disabilities and Exceptionalities Act (IDEA) Cluster:	
	IDEA Part B	84.027A
	IDEA Preschool	84.173A
	Title II, Part A - Elementary and Secondary Education Act	84.367A
	Temporary Assistance for Needy Families (TANF)	93.558
	Disaster Grants – Public Assistance	97.036
6.	Dollar threshold used to distinguish between Type A and B programs	\$3,784,004
7.	Auditee qualified as a low-risk auditee under OMB Circular A-133	Yes

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section 2 Financial Statement Findings

None

Section 3 Findings and Questioned Costs for Federal Awards

None

2013-1 Documentation of Credit Card Transactions

Condition and Recommendation: The School Board did not maintain adequate documentation on charge card transactions incurred during the year. Of the 98 transactions selected for testing, we noted the following:

- Seven transactions lacked sufficient supporting documentation.
- One transaction was documented as being an "unauthorized" charge.

We recommend that usage of charge cards be limited for only those expenditures approved by the appropriate level of management, and that all charges be supported by sufficient documentation prior to payment.

Current Status: Management implemented a new process for credit card transactions. A new form was developed which would require pre-approval of all credit card transactions. This form requires documentation about the transaction, including the approval of the transaction by proper personnel, as well as the general ledger account, which addresses the issues noted in this finding. However, we noted certain exceptions with our current year testing reported in a separate letter dated December 4, 2014.

2013-2 Noncompliance with Budget Law – Public Inspection

Condition and Recommendation: The budget for the School Board was made available for public inspection on September 3, 2012 and adopted by the school board on September 13, 2012. The budget was not made available for public inspection no later than 15 days prior to the date of budget adoption by the School Board as required by state law. As the circumstances resulting in this instance of noncompliance with Budget law were out of the School Board's control, our recommendation is for the School Board to continue to follow the requirements relating to state law relating to budget requirements.

Current Status: Resolved

2013-3 Noncompliance with Budget Law – Budget Amendments

Condition and Recommendation: At June 30, 2013, actual revenues and other sources for the General Fund failed to meet total budgeted revenues and other sources by approximately 7.6%. Near the end of the fiscal year, management should evaluate its actual revenues and other sources and compare those amounts to its current budget. If management projects significant variances (i.e., more than 5%) between budgeted and actual revenues and other sources, a budget amendment should be prepared and submitted to the School Board.

Current Status: Resolved

ORLEANS PARISH SCHOOL BOARD

SUMMARY OF CHARTER SCHOOL FINDINGS

**FRENCH AND MONTESSORI EDUCATION, INC.
D/B/A AUDUBON CHARTER SCHOOL**

Section I. Summary of Audit Results

Financial Statement Section

1. Type of auditor's report	Unmodified
2. Internal control over financial reporting and compliance and other matters	
a. Material weaknesses identified	None
b. Significant deficiencies identified not considered to be material weaknesses	None
c. Noncompliance noted	None
3. Management letter comment provided	None

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

**ADVOCATES FOR ACADEMIC EXCELLENCE IN EDUCATION, INC.
D/B/A BEN FRANKLIN HIGH SCHOOL**

Section I. Summary of Audit Results

Financial Statement Section

1. Type of auditor's report	Unmodified
2. Internal control over financial reporting and compliance and other matters	
a. Material weaknesses identified	None
b. Significant deficiencies identified not considered to be material weaknesses	None
c. Noncompliance noted	None
3. Management letter comment provided	None

Section II. Internal Control Over Financial Reporting

None.

Section III. Compliance and Other Matters

None.

BRICOLAGE ACADEMY

No summary of findings included in stand-alone financial statements. Independent Auditors Report on Internal Control and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* did not report findings.

THE EINSTEIN GROUP, INC.

Section I. Summary of Audit Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters	
a) Material weaknesses identified	None
b) Significant deficiencies identified not considered to be material weaknesses	None
c) Noncompliance noted	None
3) Management letter comment provided	None

Federal Awards

4) Internal control over major program	
a) Material weaknesses identified	None
b) Significant deficiencies identified not considered to be material weaknesses	None
5) Type of auditor's report issued on compliance for major programs	Unmodified
6) Audit findings disclosed that are required in accordance with OMB A-133, Section 510a	None
7) Identification of major programs	
84.396B - Investing in Innovation Fund	
84.027 - Special Education Grants to States	
8) Dollar threshold used to distinguish between Type A and B programs	\$300,000
9) Auditee qualified as a low-risk auditee under OMB A-133, Section 530	Yes

Section II. Internal Control Over Financial Reporting

None.

Section III. Findings and Questioned Costs Related to Major Federal Award Programs

None.

ENCORE LEARNING

Summary of Auditor's Results

Financial Statements

- | | |
|--|-------------|
| • Type of auditor's report issued: | Unqualified |
| • Material weaknesses identified | No |
| • Significant deficiencies identified not considered to be material weaknesses | No |
| • Noncompliance material to the financial statements noted | No |

Finding – Financial Statement Audit

There are no findings for the year ended June 30, 2014.

Questioned Costs

There are no questioned costs for the year ended June 30, 2014.

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

Summary of Auditor's Results

Financial Statements

- | | |
|--|-------------|
| • Type of auditor's report issued: | Unqualified |
| • Material weaknesses identified | No |
| • Significant deficiencies identified not considered to be material weaknesses | No |
| • Noncompliance material to the financial statements noted | No |

Finding – Financial Statement Audit

There are no findings for the year ended June 30, 2014.

Questioned Costs

There are no questioned costs for the year ended June 30, 2014.

HYNES CHARTER SCHOOL CORPORATION

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified not considered to be material weaknesses?	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 Circular A-133, Section .510 (a)?	no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I – Grants to Local Educational Agencies – Part A - Basic

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk audit?	yes

Section II - Internal Control and Compliance - Governmental Auditing Standards

No findings or questioned costs for the year ended June 30, 2014.

Section III - Internal Control and Compliance - Major Federal Programs

No findings or questioned costs for the year ended June 30, 2014.

InspireNOLA CHARTER SCHOOLS

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the InspireNOLA Charter Schools.
2. No control deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial were disclosed during the audit.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance with requirements applicable to major federal award programs for InspireNOLA Charter Schools expresses an unqualified opinion.
6. The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter was not issued for the year ended June 30, 2014.

1. The program tested as major programs were:

<u>Program Title</u>	<u>CFDA No.</u>
National School Lunch Program	10.555
Title I, Part A	84.010

2. The threshold for distinguishing between type A and type B programs was \$300,000.
3. InspireNOLA Charter Schools was determined not to be a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings required to be reported in this section.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

LAKE FOREST ELEMENTARY CHARTER SCHOOL

Section I. Summary of Audit Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters	
a) Material weaknesses identified	None
b) Significant deficiencies identified not considered to be material weaknesses	None
c) Noncompliance noted	Yes
3) Management letter comment provided	None

Federal Awards

4) Internal control over major program	
a) Material weaknesses identified	None
b) Significant deficiencies identified not considered to be material weaknesses	None
5) Type of auditor's report issued on compliance for major program	Unmodified
6) Audit findings disclosed that are required in accordance with OMB A-133, Section 510a	None
7) Identification of major program	
84.010 – Title I Grants to Local Educational Agencies	
8) Dollar threshold used to distinguish between Type A and B programs	\$300,000
9) Auditee qualified as a low-risk auditee under OMB A-133, Section 530	Yes

Section II. Internal Control Over Financial Reporting

2014-001 Improper Use of Public Funds

<i>Criteria:</i>	Louisiana Constitution Article VII, Section 14 prohibits personal use of School funds.
<i>Condition:</i>	On September 13, 2013, the management of the School, during the review and reconciliation of the credit card statement, found that an employee had misused an office supply credit card to purchase gift cards that were used personally. Management identified 9 transactions occurring from July 11, 2013 to September 2, 2013, totaling \$2,180.
<i>Cause:</i>	Improper act by an employee of the School.
<i>Effect:</i>	Noncompliance with Louisiana Constitution Article VII, Section 14.
<i>Recommendation:</i>	None

LAKE FOREST ELEMENTARY CHARTER SCHOOL (Continued)

*Management's
Response:*

The School notified the vendor, local law enforcement agencies, the LEA – Orleans Parish School Board and the Louisiana Legislative Auditor. The employee was terminated and has since provided restitution to the School.

Section III. Findings and Questioned Costs Related to Major Federal Award Program
None.

**ADVOCATES FOR ARTS-BASED EDUCATION CORPORATION
D/B/A LUSHER CHARTER SCHOOL**

Section I – Summary of Auditor’s Results

a) Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

b) Federal Awards

The School did not expend more than \$500,000 in federal awards during the year ended June 30, 2014, and therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ended June 30, 2014.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2014.

Section III – Federal Award Findings and Questioned Costs

Internal Control / Compliance

The School did not expend more than \$500,000 in federal awards during the year ended June 30, 2014, and therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

ADVOCATES FOR SCIENCE AND MATHEMATICS EDUCATION, INC.
(NEW ORLEANS CHARTER SCIENCE AND MATH HIGH SCHOOL)

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Advocates for Science and Mathematics Education, Inc. ("Advocates") (a nonprofit organization).
2. No instances of noncompliance material to the financial statements of Advocates was disclosed and identified during the audit.
3. No material weaknesses were noted relating to the audit in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Auditing Standards*.
4. The *Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133* expresses an unmodified opinion on all major federal programs.
5. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
6. A management letter was issued for the year ended June 30, 2014.
7. The program tested as a major program for the year ended June 30, 2014 was:

<u>Program Title</u>	<u>CFDA No.</u>
Title I	84.010

8. The threshold for distinguishing between Type A and Type B programs was \$300,000.
9. Advocates qualifies as a low-risk auditee.

B. Findings and Questioned Costs – Major Federal Award Programs

None.

C. Findings Related to the Financial Statements

None.

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None.

SECTION III – MANAGEMENT LETTER

Cash Management – Resolved

**ADVOCATES FOR INNOVATIVE SCHOOLS, INC.
(D/B/A ROBERT RUSSA MOTON CHARTER SCHOOL)**

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? No
- Noncompliance material to financial statements noted? No

Section II - Financial Statement Findings

No findings or questioned costs for the year ended June 30, 2014.

Section III – Federal Awards Findings

No findings or questioned costs for the year ended June 30, 2014.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified not considered to be material weaknesses?	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 Circular A-133, Section .510 (a)?	no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I – Grants to Local Educational Agencies – Part A - Basic

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk audit?	yes

Section II – Findings related to the financial statements that are required to be reported in accordance with *Governmental Auditing Standards*

No findings and questioned costs for the year ended June 30, 2014.

Section III – Findings and questioned costs for federal awards under OMB Circular A-133 Section 510(a)

No findings and questioned costs for the year ended June 30, 2014.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Orleans Parish School Board
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Orleans Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Orleans Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

No differences were noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

No differences were noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No differences were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

No differences were noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No differences were noted.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in Procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

For 21 of the 25 teachers, principals and assistants sampled, discrepancies were noted. We discussed with management who further analyzed the discrepancies. It was determined that the information for the schedule was obtained from the School board's MUNIS data system. The data system pulled the years of service from the salary scale in MUNIS which identifies the salary step of an employee but does not necessarily correlate to the years of service. As a result the discrepancies we noted in our sample occurred. Management is in the process of creating a reconciliation procedure between MUNIS and the PEP report to ensure that discrepancies will not occur going forward.

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

For 4 of the 25 teachers sampled, discrepancies were noted between the salaries reported per the School Boards' MUNIS data system and the PEP report. We discussed these discrepancies with management who reported that they are in the process of creating a reconciliation procedure between MUNIS and the PEP report to ensure that discrepancies will not occur going forward.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

While our recalculation of managements calculation of average salaries did not result in a difference, based on the discrepancies noted in #7 above, the average salaries calculated by management may not be accurate.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in Procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

No differences were noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No differences were noted.

Graduation Exit Examination (GEE) (Schedule 8)

11. The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Orleans Parish School Board.

No differences were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Orleans Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

A Professional Accounting Corporation

Metairie, LA
December 4, 2014

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 General Fund Instructional and Support Expenditures
 And Certain Local Revenue Sources
 For the Year Ended June 30, 2014

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures

Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 6,328,139
Other Instructional Staff Activities	255,963
Employee Benefits	4,052,549
Purchased Professional and Technical Services	90,186
Instructional Materials and Supplies	536,210
Instructional Equipment	-

Total Teacher and Student Interaction Activities \$ 11,263,047

Other Instructional Activities 3,581

Pupil Support Activities	2,092,943
Less: Equipment for Pupil Support Activities	(44,047)

Net Pupil Support Activities 2,048,896

Instructional Staff Services	1,817,001
Less: Equipment for Instructional Staff Services	(108,438)

Net Instructional Staff Services 1,708,563

School Administration	2,423,014
Less: Equipment for School Administration	(1,142)

Net School Administration 2,421,872

Total General Fund Instructional Expenditures \$ 17,445,959

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue

Constitutional Ad Valorem Taxes	\$ 83,501,940
Renewable Ad Valorem Tax	38,456,044
Debt Service Ad Valorem Tax	14,876,480
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	(8,436,934)
Sales and Use Taxes	113,721,226

Total Local Taxation Revenue \$ 242,118,756

Local Earnings on Investment in Real Property \$ 63

State Revenue Sharing \$ 2,719,832

Nonpublic Textbook Revenue \$ 491,936

Nonpublic Transportation Revenue \$ -

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Education Levels of Public School Staff
 As of October 1, 2013

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	1%	1	11%	0	0%	0	0%
Bachelor's Degree	106	50%	6	67%	0	0%	0	0%
Master's Degree	77	37%	2	22%	6	60%	0	0%
Master's Degree + 30	26	12%	0	0%	3	30%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	1	10%	0	0%
Total	210	100%	9	100%	10	100%	0	0%

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

ORLEANS PARISH SCHOOL BOARD
NEW ORLEANS, LOUISIANA
Number and Type of Public Schools
For the Year Ended June 30, 2014

Schedule 3

Type	Number
Elementary	3
Middle/Jr. High	0
Secondary	0
Combination	3
Total	6

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Experience of Public Principals, Assistant
 Principals and Full Time Classroom Teachers
 As of October 1, 2013

Schedule 4

	0 -1 Yr.	2 -3 Yrs.	4 -10 Yrs.	11-14 Yrs.	15 -19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	2	0	0	0	3
Principals	0	0	0	1	1	1	4	7
Classroom Teachers	33	3	30	24	25	32	72	219
Total	33	3	31	27	26	33	76	229

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Public School Staff Data: Average Salaries
 For the Year Ended June 30, 2014

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	\$51,359	\$50,668
Average Classroom Teachers Salary Excluding Extra Compensation	\$51,212	\$50,567
Number of Teacher Full-Time Equivalents (FTEs) Used in Computation of Average Salaries	220	204

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Class Size Characteristics
 As of October 1, 2013

Schedule 6

CLASS SIZE RANGE										
SCHOOL TYPE	TYPE TOTAL	%	1 THRU 20	%	21 THRU 26	%	27 THRU 33	%	34+	%
ELEMENTARY	272	23.80%	57	11.68%	142	40.34%	73	27.04%	0	0.00%
ELEMENTARY ACTIVITY CLASSES	115	10.06%	34	6.97%	57	16.19%	23	8.51%	1	3.03%
MIDDLE	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
MIDDLE/JR. HIGH ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
HIGH	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
HIGH ACTIVITY CLASSES	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COMBINATION	485	42.43%	184	37.70%	125	35.52%	159	58.89%	17	51.52%
COMBINATION ACTIVITY CLASSES	271	23.71%	213	43.65%	28	7.95%	15	5.56%	15	45.45%
TOTAL	1,143	100.00%	488	100.00%	352	100.00%	270	100.00%	33	100.00%

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Louisiana Educational Assessment Program (LEAP)
 For the Year Ended June 30, 2014

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 4																								
Advanced	17	9%	15	12%	8	7%	42	21%	20	16%	13	11%	10	5%	5	4%	3	3%	0	0%	1	1%	1	1%
Mastery	89	45%	50	40%	50	41%	64	32%	33	26%	47	39%	28	14%	22	17%	21	17%	28	14%	18	14%	19	15%
Basic	66	33%	48	38%	50	41%	69	34%	48	38%	42	34%	117	58%	69	55%	68	56%	134	67%	78	62%	84	69%
Approaching Basic	12	6%	10	8%	10	8%	11	6%	14	11%	14	11%	36	18%	24	19%	26	21%	24	12%	21	17%	11	9%
Unsatisfactory	15	7%	3	2%	4	3%	15	7%	11	9%	6	5%	10	5%	6	5%	4	3%	15	7%	8	6%	7	6%
Total	199	100%	126	100%	122	100%	201	100%	126	100%	122	100%	201	100%	126	100%	122	100%	201	100%	126	100%	122	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Grade 8																								
Advanced	2	1%	3	1%	3	1%	2	1%	2	1%	0	0%	4	1%	1	0%	0	0%	0	0%	0	0%	1	0%
Mastery	38	12%	39	16%	20	9%	8	3%	3	1%	2	1%	30	10%	9	4%	10	4%	10	3%	3	1%	7	3%
Basic	135	45%	128	51%	125	53%	143	47%	123	50%	104	44%	126	42%	103	42%	73	31%	147	49%	117	47%	102	43%
Approaching Basic	111	37%	71	29%	78	33%	94	31%	87	35%	86	36%	110	37%	106	43%	114	48%	114	38%	85	34%	89	38%
Unsatisfactory	14	5%	7	3%	9	4%	53	18%	32	13%	45	19%	31	10%	28	11%	39	17%	28	10%	42	17%	37	16%
Total	300	100%	248	100%	235	100%	300	100%	247	100%	237	100%	301	100%	247	100%	236	100%	299	100%	247	100%	236	100%

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 Graduation Exit Exam (GEE)
 For the Year Ended June 30, 2014

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Proficient	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	N/A	N/A	N/A	N/A	1	0%	N/A	N/A	N/A	N/A	0	0%
Proficient	N/A	N/A	N/A	N/A	25	7%	N/A	N/A	N/A	N/A	3	1%
Basic	N/A	N/A	N/A	N/A	166	48%	N/A	N/A	N/A	N/A	222	64%
Approaching Basic	N/A	N/A	N/A	N/A	103	30%	N/A	N/A	N/A	N/A	73	21%
Unsatisfactory	N/A	N/A	N/A	N/A	52	15%	N/A	N/A	N/A	N/A	49	14%
Total	0	0%	0	0%	347	100%	0	0%	0	0%	347	100%

* The 10th grade cohort of students did not participate in GEE testing during spring of 2012.

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 iLEAP Test Results
 For the Year Ended June 30, 2014

iLEAP Tests - 2014

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	6	3%	11	6%	2	1%	4	2%
Mastery	49	25%	30	15%	22	11%	23	12%
Basic	91	45%	102	51%	103	51%	111	55%
Approaching Basic	28	14%	27	13%	48	24%	37	18%
Unsatisfactory	26	13%	31	15%	26	13%	25	13%
Total	200	100%	201	100%	201	100%	200	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	22	11%	14	7%	4	2%	15	8%
Mastery	62	31%	21	10%	20	10%	32	16%
Basic	72	36%	94	47%	121	61%	85	42%
Approaching Basic	28	14%	42	21%	46	23%	50	25%
Unsatisfactory	16	8%	29	15%	8	4%	18	9%
Total	200	100%	200	100%	199	100%	200	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	17	9%	19	9%	0	0%	15	8%
Mastery	75	37%	50	25%	17	8%	38	19%
Basic	86	43%	106	53%	130	65%	98	49%
Approaching Basic	10	5%	14	7%	34	17%	30	15%
Unsatisfactory	12	6%	12	6%	19	10%	18	9%
Total	200	100%	201	100%	200	100%	199	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	14	5%	10	3%	8	3%	4	1%
Mastery	41	14%	15	5%	41	14%	10	3%
Basic	120	40%	140	47%	121	40%	122	41%
Approaching Basic	89	29%	68	23%	79	26%	118	39%
Unsatisfactory	37	12%	67	22%	52	17%	48	16%
Total	301	100%	300	100%	301	100%	302	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2014		2014	
	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	0	0%	0	0%
Approaching Basic	0	0%	0	0%
Unsatisfactory	0	0%	0	0%
Total	0	0%	0	0%

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 iLEAP Test Results
 For the Year Ended June 30, 2014

Schedule 9
 (Continued)

iLEAP Tests - 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	3%	9	9%	4	3%	2	2%
Mastery	35	32%	37	25%	27	20%	25	22%
Basic	57	47%	58	43%	65	55%	66	52%
Approaching Basic	18	14%	14	15%	25	19%	15	19%
Unsatisfactory	16	4%	12	8%	9	3%	22	5%
Total	130	100%	130	100%	130	100%	130	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	16	16%	5	7%	2	1%	3	7%
Mastery	24	34%	23	27%	22	14%	17	33%
Basic	62	43%	67	50%	71	59%	70	50%
Approaching Basic	13	7%	19	9%	23	22%	21	10%
Unsatisfactory	5	0%	6	7%	2	4%	9	0%
Total	120	100%	120	100%	120	100%	120	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	12	25%	17	5%	2	6%	4	15%
Mastery	45	18%	30	18%	26	23%	13	13%
Basic	54	48%	52	69%	60	54%	68	58%
Approaching Basic	5	4%	10	5%	22	14%	24	10%
Unsatisfactory	1	5%	8	3%	7	3%	8	4%
Total	117	100%	117	100%	117	100%	117	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	3%	1	6%	0	3%	0	0%
Mastery	25	18%	9	9%	13	10%	6	9%
Basic	93	61%	94	54%	67	40%	104	62%
Approaching Basic	43	15%	46	22%	68	38%	35	19%
Unsatisfactory	9	3%	21	9%	21	9%	25	10%
Total	172	100%	171	100%	169	100%	170	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2013		2013	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	0	0%	0	0%
Approaching Basic	0	0%	0	0%
Unsatisfactory	0	0%	0	0%
Total	0	0%	0	0%

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

ORLEANS PARISH SCHOOL BOARD
 NEW ORLEANS, LOUISIANA
 iLEAP Test Results (Continued)
 For the Year Ended June 30, 2014

Schedule 9
 (Continued)

iLEAP Tests - 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	8	6%	8	6%	4	3%	0	0%
Mastery	27	22%	26	21%	27	22%	22	18%
Basic	61	49%	60	48%	57	46%	64	51%
Approaching Basic	21	17%	22	18%	31	25%	27	22%
Unsatisfactory	8	6%	9	7%	6	5%	12	10%
Total	125	100%	125	100%	125	100%	125	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	10	9%	16	14%	2	2%	2	2%
Mastery	34	30%	21	18%	12	10%	18	16%
Basic	55	48%	50	43%	59	51%	52	45%
Approaching Basic	15	13%	21	18%	36	31%	32	28%
Unsatisfactory	1	1%	7	6%	6	5%	11	10%
Total	115	100%	115	100%	115	100%	115	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	7	7%	18	18%	1	1%	0	0%
Mastery	31	32%	22	22%	14	14%	9	9%
Basic	56	57%	48	49%	48	49%	54	55%
Approaching Basic	3	3%	4	4%	32	33%	29	30%
Unsatisfactory	1	1%	6	6%	3	3%	6	6%
Total	98	100%	98	100%	98	100%	98	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	2%	2	1%	0	0%	1	1%
Mastery	12	8%	11	7%	11	7%	2	1%
Basic	85	57%	70	47%	66	45%	54	36%
Approaching Basic	44	30%	41	28%	56	38%	59	40%
Unsatisfactory	4	3%	24	16%	15	10%	32	22%
Total	148	100%	148	100%	148	100%	148	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	0	0%	0	0%
Basic	0	0%	0	0%
Approaching Basic	0	0%	0	0%
Unsatisfactory	0	0%	0	0%
Total	0	0%	0	0%

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