

OUACHITA PARISH SCHOOL BOARD**SINGLE AUDIT REPORTING PACKAGE
YEAR ENDED JUNE 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 17 2013**

OUACHITA PARISH SCHOOL BOARD
 MONROE, LOUISIANA
 SINGLE AUDIT REPORTING PACKAGE
 JUNE 30, 2012

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OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SINGLE AUDIT REPORTING PACKAGE
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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
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INDEPENDENT AUDITORS' REPORT

Ouachita Parish School Board Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2012, which collectively comprise the School Board's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the School Board's June 30, 2011 financial statements and, in our report dated December 30, 2011, we expressed **unqualified opinions** on the respective financial statements on the governmental activities, each major fund, and the aggregate remaining information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Ouachita Parish School Board, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* and should be considered in assessing the results of our audit.

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**Ouachita Parish School Board
Independent Auditors' Report**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of Employer Contributions for Other Post-Employment Benefit Plan and the Schedule of Funding Progress for Other Post-Employment Benefit Plan, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a required 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements as a whole. The accompanying information listed as supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The Supplemental Information (including the Schedule of Expenditures of Federal Awards) 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 financial statements. This 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, this information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information has 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.

Heffey Huffman Reynolds & Squires

(A Professional Accounting Corporation)

December 20, 2012

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**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

Management's discussion and analysis of the Ouachita Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the information provided in the letter of transmittal, financial statements and the accompanying notes, which are all included in this report, to enhance their understanding of the Ouachita Parish School Board's financial performance and condition.

Financial Highlights

Key financial highlights during the 2011-12 fiscal year are as follows:

- Statement of Net Assets – The assets of the Ouachita Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$90,484,801 (net assets). Included in this amount is an unrestricted net liability of \$21,922,394, which means there are no unrestricted net assets available to meet the government's obligations to students and creditors if all obligations matured and became due and payable on June 30, 2012.
- Statement of Activities – The total net assets of the Ouachita Parish School Board decreased by \$4,978,628 for the year ended June 30, 2012. This is a 5.2% decrease from last year and is largely due to the significant increases in employer rates for employee benefits of \$7,138,312.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the Ouachita Parish School Board's governmental funds reported a combined ending fund balance of \$69,861,340, an increase of \$8,476,907 in comparison with the prior fiscal year. This increase is due to a balance of bond proceeds at year end from the sale of \$19.3 million in bonds during the fiscal year for facility construction and improvements in East Ouachita. The majority of this fund balance is comprised of approximately (1) \$14.9 million for spending within the General Fund, (2) \$14.5 million committed for dedicated spending purposes in the District #1 Maintenance and Operations Sales Tax Fund, (3) \$12.5 million restricted in a new Capital Projects Fund for the East Ouachita 2011-2012 Construction Fund, a major fund, for spending on planned construction projects in East Ouachita, (4) \$14.3 million for spending in other Special Revenue Funds which includes the sales tax salary supplement funds, the West Ouachita sales tax fund, school food service, and grants, (5) \$12.5 million is restricted for the payment of outstanding bond issues within the Debt Service Funds, and (6) \$1.2 million which is restricted for specific construction projects within the Capital Projects Funds.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2012 for the governmental funds of the Ouachita Parish School Board amounted to \$214,146,151. Approximately 96.5% of this amount is received from four major revenue sources: (1) \$117.4 million from the state Minimum Foundation Program (MFP) formula (2) \$39.4 million from local sales taxes, (3) \$28.2 million from federal, state, and local grants and contributions, and (4) \$22.4 million from local ad valorem taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, fund balance for the General Fund, a major fund, was \$14,888,916, or 10.8% of total General Fund expenditures. Approximately \$625,000 is restricted in use to guarantee the payment of workers compensation claims to the state, \$715,351 is committed for major equipment replacement, \$423,204 is assigned by management to be used for various instructional programs and student scholarships, while \$13.1 million is unassigned and available for spending at the Board's discretion.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

- **Capital Assets** – Total capital assets (net of depreciation) were \$232,108,877 or 63.2% of the total capital assets. The School Board uses these assets to provide educational services to children; consequently, these assets are not available for future spending.
- **Long-Term Debt** – The Ouachita Parish School Board's total debt increased \$10,804,532 (7.6%) during the current fiscal year. This was due to \$19.3 million in new general obligation bonds issued during the year. Also, three revenue bond issues and the final two certificates of indebtedness were paid off during the fiscal year. The school system outstanding debt at June 30, 2012 includes General Obligation Bonds of \$83.9 million and Revenue Bonds of \$68.9 million.
- **Ad Valorem Tax Revenues** – Collections from local property taxes in the General Fund increased by \$681,194 or 4.4% due to increased property assessments throughout the parish and is a reflection of historical trending.
- **Sales Tax Revenues** – Collections of local sales tax revenues continue to increase beyond collection levels prior to the recessionary decline experienced in the 2009-10 fiscal period. Collections are up by \$1,788,635, or 4.7%.
- **Education Jobs Funds** - Stimulus funds authorized under the federal Education Jobs Bill totaling \$2,855,790 was received to fund employer retirement increases for school site-based staff.
- **American Reinvestment and Recovery Act Funds (ARRA)** - Received \$226,814 in federal stimulus funding under ARRA for Title I and Special Education-IDEA B programs. This exhausts all ARRA funding awarded to the school board through September 30, 2011.

Using this Comprehensive Annual Financial Report (CAFR)

The management's discussion and analysis is intended to serve as an introduction to the Ouachita Parish School Board's basic financial statements. The School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Ouachita Parish School Board's finances, in a manner similar to a private-sector business. There are two government-wide financial statements presented to report on the overall governmental activities of the School Board.

- The *Statement of Net Assets* presents information on all of the Ouachita Parish School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Ouachita Parish School Board is improving or deteriorating.
- The *Statement of Activities* presents information showing how the School Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The change in net assets reported in the *Statement of Activities* is an important indicator because it tells the reader whether, for the School Board as a whole, the financial position

**Ouachita Parish School Board
Monroe, Louisiana**

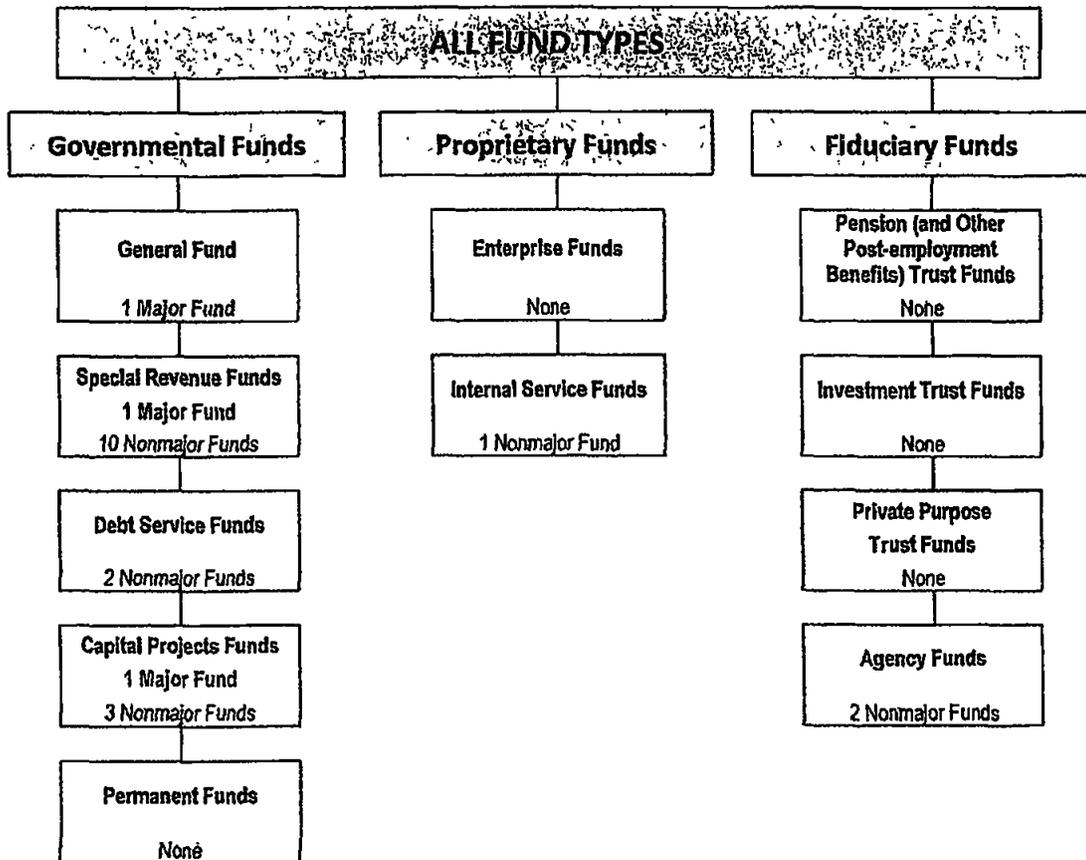
Management's Discussion and Analysis

June 30, 2012

of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the parish's sales and property tax bases and the state and federal government's continued funding

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ouachita Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements report on the specific governmental activities of the School Board. These statements provide more detail than the Government-wide Financial Statements about the services financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is the Ouachita Parish School Board's most significant fund.

All of the funds of the Ouachita Parish School Board are categorized into one of eleven fund types. Each fund type and the number of individual funds operated by the Ouachita Parish School Board for fiscal year 2011-12 are listed in the chart below. Only the fund types under which the School Board's funds are operating are further discussed.



**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

- *Governmental funds.* Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of each fund and the balances remaining at year-end available for spending in future periods. These funds are reported using the modified-accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Ouachita Parish School Board near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board uses many funds to account for a multitude of financial transactions. However, these governmental fund financial statements focus on the School Board's most significant funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* for (1) the General Fund, (2) the District #1 Sales Tax Special Revenue Fund, and (3) the East Ouachita 2011-2012 Construction Capital Projects Fund, which are considered to be the only major funds. Data for the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Changes in major funds. In the previous year the West Ouachita 2009 QSCB Construction Capital Projects fund was reported as a major fund in the governmental fund financial statements. Due to paying off the previous year's interfund payable with available investments as they matured throughout the fiscal year, this fund is no longer classified as a major fund in 2011-12. However, the East Ouachita 2011-2012 Construction Capital Projects Fund is a newly established capital projects fund and is also reported as a new major fund in the governmental fund financial statements this year due to the sale of \$19.3 million in general obligation bonds during the fiscal year.

The School Board adopts an annual operating budget for its General Fund and for each Special Revenue Fund. Annual adopted budgets are not required for Debt Service Funds and Capital Projects Funds under the Louisiana Local Government Budget Act. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

- *Proprietary fund.* The Ouachita Parish School Board maintains one fund within the Proprietary Fund Internal service funds are an accounting fund type used to accumulate and allocate costs internally among the School Board's various functions. The School Board is self-insured for workers' compensation and general liability claims and maintains policies with large deductibles for property and fleet vehicle insurance. A summary of the School Board's insurance coverage at June 30, 2012, has been included in the Statistical Section in the schedule titled "Insurance Coverage Data". Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Internal Service Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported in a separate section consisting of a *Comparative Statement of Net Assets*; a *Comparative Statement of Revenues, Expenses, and Changes in Net Assets*; and a *Comparative Statement of Cash Flows*

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

Because this service predominantly benefits governmental functions, it has also been included with governmental activities in the government-wide financial statements

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Ouachita Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Ouachita Parish School Board's own programs. The School Board maintains two Agency Funds. The School Board is the trustee, or fiduciary, for its student activity funds and State Equalization Local Funding Transfers to Other Educational Providers.

The MFP formula adopted by the state legislature now requires a portion of the School Board's state MFP funding representing a per pupil allotment of the School Board's local tax revenue be deducted and transferred to other local education agencies (LEA). This occurs when a qualifying student who resides within the jurisdictional boundaries of the Ouachita Parish School Board attends another state approved educational provider outside of the jurisdictional boundaries of the School Board. These funding transfers are accounted for in the Agency Fund for State Equalization Local Funding Transfers to Other Educational Providers.

All activities of these Agency Funds are reported in a separate *Comparative Statement of Fiduciary Assets and Liabilities*. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Ouachita Parish School Board, assets exceed liabilities by \$90,484,801 at the close of the 2011-12 fiscal year. The School Board's net assets decreased by \$4,978,628 from last year's balance. Of the \$90.5 million of net assets at June 30, 2012, \$19.1 million were restricted by the School Board. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

The following analysis focuses on the net assets and change in net assets of the School Board's governmental activities.

Ouachita Parish School Board's Governmental Activities

Statement of Net Assets

	June 30, 2012	June 30, 2011
Current and other assets	\$ 101,510,446	\$ 93,359,235
Capital assets, net of depreciation/amortization	232,108,877	230,954,184
Total assets	333,619,323	324,313,419
Current and other liabilities	27,588,275	26,918,530
Long-term liabilities	215,546,247	201,931,460
Total liabilities	243,134,522	228,849,990
Net assets.		
Invested in capital assets, net of related debt	93,275,754	103,257,268
Restricted	19,131,441	19,585,376
Unrestricted	(21,922,394)	(27,379,215)
Total net assets	\$ 90,484,801	\$ 95,463,429

The negative balance of \$21,922,394 in unrestricted net assets at June 30, 2012 represents the accumulated results of all past years' operations. In theory, it means that if we had to pay off all of our bills today including all of our noncapital liabilities, such as compensated absences and unfunded other post-employment benefits, and sold all of our assets at their current value, we would not have enough funds to pay off all of our debt by \$21.9 million. This negative unrestricted net asset decreased by \$5,456,821 over this past year.

A portion of the Ouachita Parish School Board's total net assets, \$93,275,754, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. As you can see, net assets invested in capital assets exceed the total of all net assets held by the School Board at June 30, 2012. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending or payment of obligations. Although the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The results of this year's operations for the School Board as a whole are reported in the *Statement of Activities*. The following table summarizes the *Statement of Activities* in a different format so that total revenue for the year can be more easily identifiable.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

Ouachita Parish School Board's Governmental Activities

Statement of Changes in Net Assets

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2,377,939	\$ 2,422,850	\$ (44,911)
Operating grants and contributions	30,576,016	34,514,499	(3,938,483)
Capital grants and contributions	27,738	154,875	(127,137)
General revenues:			
Ad valorem taxes	22,375,690	21,274,013	1,101,677
Sales taxes	39,402,765	37,614,130	1,788,635
State Minimum Foundation Program	117,404,761	112,675,404	4,729,357
Interest on investments	436,428	463,259	(26,831)
Other general revenues	1,760,196	1,336,364	423,832
Total revenues	<u>214,361,533</u>	<u>210,455,394</u>	<u>3,906,139</u>
Expenses:			
Instruction:			
Regular programs	\$ 85,247,327	79,618,359	5,628,968
Special education programs	19,081,018	20,257,905	(1,176,887)
Vocational programs	2,060,638	2,525,521	(464,883)
Other instructional programs	8,433,690	8,964,146	(530,456)
Special programs	4,748,497	5,094,185	(345,688)
Adult/continuing education	1,307,125	1,304,667	2,458
Support services:			
Pupil support services	12,064,420	11,889,305	175,115
Instructional staff support services	15,249,486	13,066,081	2,183,405
General administration	2,117,165	2,585,952	(468,787)
School administration	12,936,711	12,117,437	819,274
Business services	3,096,381	3,116,489	(20,108)
Plant services	20,558,751	22,640,998	(2,082,247)
Student transportation services	11,091,742	10,435,400	656,342
Central services	3,319,011	3,235,562	83,449
Non-instructional services:			
Food services operations	12,247,610	11,244,768	1,002,842
Community services programs	77,809	75,104	2,705
Long-term obligations:			
Interest on long-term obligations	5,702,780	6,087,093	(384,313)
Total expenses	<u>\$ 219,340,161</u>	<u>\$ 214,258,972</u>	<u>\$ 5,081,189</u>
Decrease in net assets	(4,978,628)	(3,803,578)	(1,175,050)
Net assets at beginning of year	<u>95,463,429</u>	<u>99,267,007</u>	<u>(3,803,578)</u>
Net assets at end of year	<u>\$ 90,484,801</u>	<u>\$ 95,463,429</u>	<u>(\$ 4,978,628)</u>

Ouachita Parish School Board
Monroe, Louisiana

Management's Discussion and Analysis

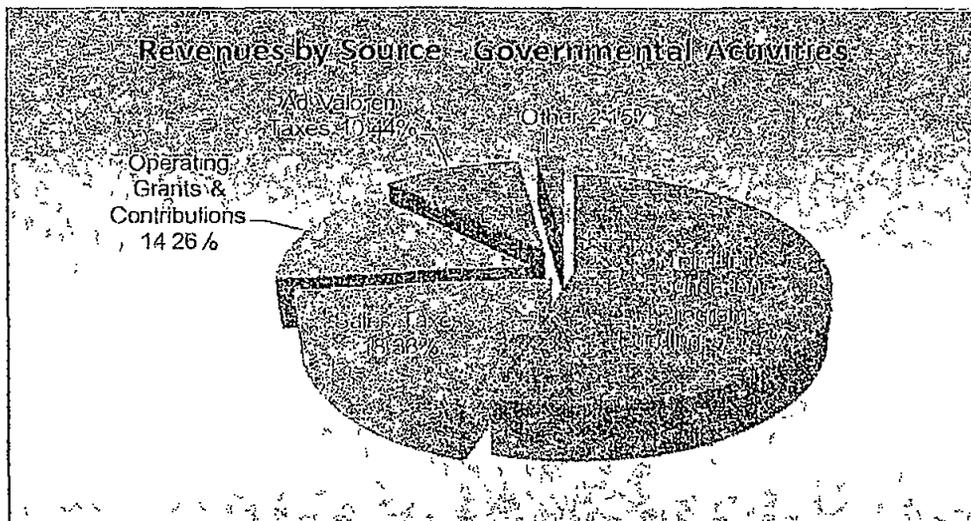
June 30, 2012

As stated earlier the net assets of the School Board at June 30 2012 decreased by \$4.9 million from the prior year. It should also be noted that expenses increased by \$5.1 million (2.37%) and revenues increased by \$3.9 million (1.86%). The increase in the cost of governmental activities far outweighed the increase in revenues to fund these activities. Revenues increased largely due to increases in local tax revenues and state funding through the Minimum Foundation Program Formula. However operating expenses also rose at a much faster pace. This is due to two significant increases in fixed costs that impacted the cost of all governmental activities in 2011-12.

- (1) *Retirement Cost* The employer contribution rate for participating members of the Teacher's Retirement System of Louisiana (TRSL) and the Louisiana School Employees Retirement System (LSERS) on average increased by more than 17%. These state administered retirement plans are a defined benefit plan and due to the poor performance of the markets over the last couple of years contribution rates were adjusted actuarially to ensure continued funding for future benefits to be paid by the plans. The employer contribution rate for TRSL increased from 20.2% of eligible payroll to 23.7%. The employer contribution rate for LSERS increased from 24.3% of eligible payroll to 28.6%. Collectively these increases in retirement contribution rates cost the School Board an additional \$4.1 million (or 1.9% of total expenses) in 2011-12 to operate its programs.
- (2) *Group Health Insurance Premiums* The employer current insurance premium paid for group health and life insurance benefits provided to active and retired employees increased over \$2,457,928 during the 2011-12 fiscal year. This is largely due to the State Office of Group Benefits program imposing two rate increases during the fiscal year to increase employee and employer health insurance premiums. In July 2011 premiums increased anywhere from 5-7% and then again by another 7% December 2011. Total health insurance costs increased by approximately 13.1% over the previous year.

Revenues by Source – Governmental Activities

Total revenues of the Ouachita Parish School Board have increased by \$3,906,139 (1.9%) over the prior year. This is mostly due to the increase in state MFP funding for student growth in sales tax and ad valorem tax collections continuing its upward trend.



**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

- Minimum Foundation Program (MFP) Funding.** The largest revenue source for the School Board is state equalization funding awarded through the MFP at 54.8% of total revenues. This is the funding formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature to equitably distribute state appropriated funds to public school systems throughout the state. These funds help to pay for employee salaries and benefits and general operations. The State does not appropriate funds to public school systems for building schools or retiring debt. The distributions made through the MFP formula are driven by student enrollments and demographics as of a certain date. The following is a summary of MFP Funding received by the School Board over a three-year period and student enrollment counts for reference.

<u>Fiscal Year</u>	<u>October 1st Student Enrollment</u>	<u>State MFP Funding, Net</u>	<u>Percentage Increase (Decrease)</u>	<u>State MFP Reductions For Transfers of Local Funds</u>	<u>Federal Stimulus Received to Fully fund the MFP</u>
2009-10	18,864	\$111,412,589	(2.14%)	\$0	\$3,454,350
2010-11	19,186	\$112,675,404	1.13%	\$25,189	\$2,323,286
2011-12	19,264	\$117,404,761	4.19%	\$99,467	\$75,164

The Ouachita Parish School Board was allocated \$117,404,761 in state equalization funding through the MFP funding formula, net of reductions made by the state for transfers of local funding to other state-approved educational providers who have enrolled students who live within the school zones of the Ouachita Parish School System. Of this annual MFP allocation received by the School Board, a deposit of \$1,439,682 of was made to the School Food Service Special Revenue Fund. Also, a portion of federal stimulus funding through the Education Jobs Bill in the amount of \$75,164 was appropriated and passed through the Louisiana Department of Education to the School Board in order to provide level MFP funding. This stimulus funding is combined with other Education Jobs awards funded apart from the MFP and is reported in the Education Jobs Fund as a separate nonmajor Special Revenue Fund in the *Fund Financial Statements*.

- Sales Tax Revenues:** Sales taxes are the second largest revenue source for the School Board at 18.4% of total revenues. The School Board has four separate sales tax rates levied upon the sale and consumption of goods and services throughout the parish and one school district for public schools. Each is accounted for in a separate governmental Special Revenue Fund:

<u>Fiscal Year</u>	<u>Major Fund District #1 Sales Tax</u>	<u>1968 Sales Tax - Salary Supplements</u>	<u>1995 Sales Tax - Salary Supplements</u>	<u>West Ouachita District Sales Tax</u>	<u>Total Combined</u>	<u>Percentage Increase (Decrease)</u>
Tax Rate:	0.5%	0.5%	1.0%	1.0%	3.0%	
2009-10	\$ 5,761,805	\$ 8,622,288	\$ 11,684,435	\$ 9,287,183	\$ 35,355,711	(6.21%)
2010-11	\$ 6,130,045	\$ 9,101,919	\$ 12,428,471	\$ 9,953,695	\$ 37,614,130	6.39%
2011-12	\$ 6,429,472	\$ 9,460,970	\$ 12,984,223	\$ 10,528,100	\$ 39,402,765	4.76%

Sales tax revenues increased by \$1,788,635 over the prior year. As the above chart indicates, the School Board's collections have rebounded from the recessionary decline in sales tax collections than occurred in 2009-10. This is largely due to tax payers resuming normal spending patterns.

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- **Operating Grants & Contributions:** The third largest revenue source for the School Board is operating grants and contributions at 14.3% of total revenues. Operating grants and contributions totaled approximately \$30.6 million, and Federal grants represent approximately \$24.9 million or 81.4% of this total while state grants represent approximately \$1.7 million or 5.5%. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost in the *Statement of Activities*.

<u>Fiscal Year</u>	<u>Title I Programs</u>	<u>Special Education IDEA-B</u>	<u>School Food Service</u>	<u>Other Operating Grants & Contributions</u>	<u>Total</u>	<u>Percentage Increase (Decrease)</u>
2009-10	\$ 7,105,095	\$ 5,854,764	\$ 6,404,244	\$ 12,991,382	\$ 32,355,485	17.86%
2010-11	\$ 7,709,105	\$ 7,443,098	\$ 6,413,579	\$ 12,948,717	\$ 34,514,499	6.67%
2011-12	\$ 6,081,855	\$ 3,946,030	\$ 7,139,633	\$ 13,408,498	\$ 30,576,016	(11.41%)

In the 2011-12 fiscal year, the School Board experienced a decrease of \$3,938,483 in operating grants and contributions over the prior year. Title I, Special Education IDEA-B, and School Food Service make up \$17.2 million (56.2%) of total operating grants and contributions. Decreases in operating grants and contributions are the result of reduced spending of stimulus funding available to Title I and Special Education Programs through the American Recovery and Reinvestment Act (ARRA) of 2009.

It should be noted here that only \$226,814 in ARRA funds were received in 2011-12, as compared to \$4.31 million received in the previous 2010-11 fiscal period. These funds are passed through the Louisiana Department of Education to the School Board for spending in specific program areas such as Title I and Special Education IDEA-B. This is the third and final year of stimulus funding under ARRA and the award period ended on September 30, 2011. These funds are included as operating grants and contributions in the above chart and in the *Statement of Activities*.

- **Ad Valorem Tax Revenues:** The fourth largest revenue source for the School Board is ad valorem taxes at 10.44% of total revenues. Ad valorem collections are based upon the number of mills authorized by taxpayers and levied annually by the School Board and the taxable assessed value of property (established by the Ouachita Parish Tax Assessor), in accordance with the laws set-forth for this purpose by the Louisiana Legislature. The following chart lists the ad valorem tax revenues for the past three years.

<u>Fiscal Year</u>	<u>Mills</u>	<u>General Fund (Major Fund)</u>	<u>Mills</u>	<u>Nonmajor East Ouachita Bond Debt Service Fund</u>	<u>Total</u>	<u>Percentage Increase (Decrease)</u>
2009-10	29.33	\$14,719,159	30.0	\$ 5,290,132	\$20,009,291	11.25%
2010-11	29.33	\$15,499,401	30.0	\$ 5,774,612	\$21,274,013	6.32%
2011-12	29.33	\$16,180,595	30.0	\$ 6,195,095	\$22,375,690	5.18%

Ad valorem tax revenues increased by \$1,101,677 (5.18%) over the prior year.

Ad valorem tax collections continue to show modest growth especially in recently years attributed to increases in assessed property and public service utilities.

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Cost of Services – Governmental Activities

Program expenses and program revenues for governmental activities are classified by function (or program). Program revenues are comprised of (1) specific charges for services, and (2) operating and capital grants and contributions. The table below presents the total cost of services of each of the School Board's 9 largest functions, as well as each function's net cost (total cost less program revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows readers to consider the cost of each function in comparison to the benefits they believe are provided by that function.

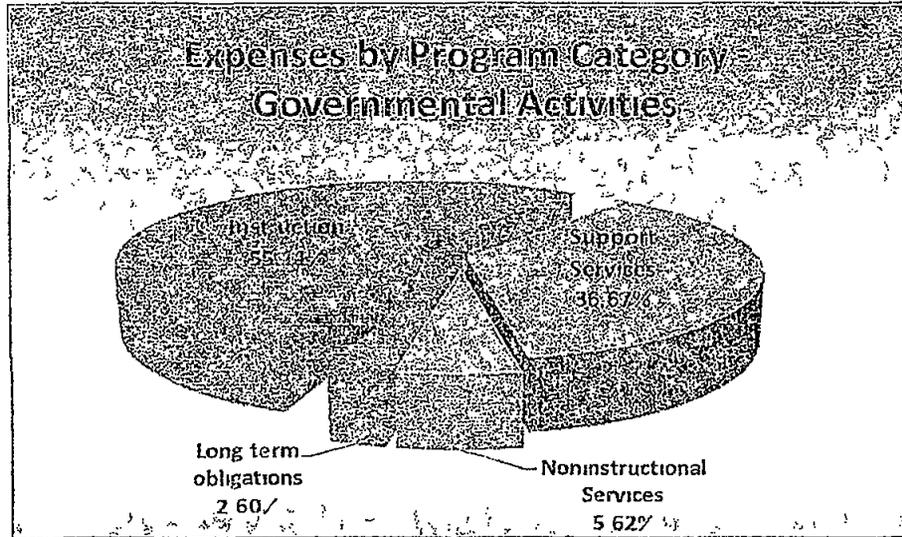
	For Year Ended June 30, 2012		For Year Ended June 30, 2011	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Regular programs	\$ 85,247,327	\$ 81,537,306	\$ 79,618,359	\$ 77,160,160
Special education programs	19,081,018	18,133,593	20,257,905	17,149,281
Other instructional programs	8,433,690	6,655,299	8,964,146	6,515,873
Pupil support services*	12,064,420	9,356,548	11,889,305	8,801,685
Instructional staff support services*	15,249,486	9,331,624	13,066,081	6,592,187
School administration	12,936,711	12,358,671	12,117,437	11,725,660
Plant services	20,558,751	19,567,589	22,640,998	21,502,184
Student transportation services	11,091,742	10,653,438	10,435,400	10,104,395
Food service operations*	12,247,610	3,053,073	11,244,768	2,837,483
Subtotal	<u>183,974,044</u>	<u>170,647,070</u>	<u>190,234,399</u>	<u>162,388,908</u>
All other programs	35,366,117	15,711,398	24,024,573	16,089,591
Total	<u>\$219,340,161</u>	<u>\$186,358,468</u>	<u>\$214,258,972</u>	<u>\$178,478,499</u>

For the 2011-12 fiscal year, total program expenses of approximately \$219.3 million exceeded total program revenues by approximately \$186.4 million. This net cost of services was funded with other general revenues of the School Board. (*) Food Service Operations continues to be the highest funded program followed by Instructional Staff Support Services, and Pupil Support Services.

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- Instruction** Expenses for regular programs special education vocational other instructional programs special programs and adult education programs are considered to be instructional services and represent the direct expenses of providing instruction to students Instruction services for the fiscal year 2011 12 cost more than \$120 million and represents 55 1% of total governmental activities The following chart shows the cost of instruction over the past three years

<u>Fiscal Year</u>	<u>Instruction</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2009 10	\$115 659 405	(9 18%)	56 41%
2010 11	\$117 764 783	1 82%	54 97%
2011 12	\$120 878 295	2 64%	55 11%

As shown in the chart above instruction services increased approximately \$3 1 million over the previous year The increase is associated with two major costs Increases in (1) employer contributions to state defined benefit retirement plan in excess of 17% over the previous year and (2) an average increase of 13 1% in employer premiums for group health and life insurance

- Support Services** Support services account for approximately \$80 4 million or 36 7% of all governmental activities These services include Pupil Support Services (includes nursing and counseling services) Instructional Staff Support Services (includes media and library services staff training and professional development and curriculum support) General Administration of the School Board School Administration Business Services Plant Services Student Transportation and Central Services

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<u>Fiscal Year</u>	<u>Support Services</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2009-10	\$71,947,593	(9.18%)	35.09%
2010-11	\$79,087,224	9.92%	36.91%
2011-12	\$80,433,667	1.70%	36.67%

Support services increased by \$1,346,443 or 1.70% over the previous year mainly due to the same two costs: (1) Increase in employer contributions to state defined benefit retirement plan in excess of 17% over the previous year, and (2) an average increase of 13.1% in employer premiums for group health and life insurance

- **Non-Instructional Services:** Activities concerned with providing non-instructional services to students, staff or the communities are defined as Non-Instructional Services. These services in this category include Food Service Operations and Community Service Programs. Non-Instructional Services account for \$12,325,419 or 5.62% of total governmental activities.

<u>Fiscal Year</u>	<u>Non-Instructional Services</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2009-10	\$11,439,472	(5.77%)	5.58%
2010-11	\$11,319,872	(1.05%)	5.28%
2011-12	\$12,325,419	8.88%	5.62%

Non-instructional services increased by \$1,005,547 or 8.88% from the previous year mainly due to increases in employer contributions to state defined benefit retirement plan in excess of 17% over the previous year in Food Service Operations.

- **Long-Term Obligations:** This activity covers interest expense and recurring expenditures to service outstanding debt, such as fees paid to paying agents and legal fees. The cost of activities related to long-term obligations, which is primarily interest expense, was \$5,702,780 or 2.6% of total governmental activities during the 2011-12 fiscal year.

<u>Fiscal Year</u>	<u>Non-Instructional Services</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2009-10	\$5,982,204	(7.95%)	2.92%
2010-11	\$6,087,093	1.75%	2.84%
2011-12	\$5,702,780	(6.31%)	2.60%

Expenses for long-term obligations decreased \$384,313 or 6.31% from the previous year mainly due to the normal decline in scheduled annual interest payments for maturing long-term debt obligations.

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Financial Analysis of Governmental Funds

As noted earlier, the Ouachita Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to help it control and manage money for particular purposes. The focus of the Ouachita Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources and to help the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it. In particular, unrestricted fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the School Board's governmental funds reported a combined ending fund balance of \$69,861,341, an increase of \$8,476,908 in comparison with the prior fiscal year. The key factors of this increase are as follows:

- **General Fund** – The General Fund, the principal operating fund of the School Board, operated with an overall deficiency of \$930,407 for the 2011-12 fiscal year and ended the year with a fund balance of \$14,888,916. This represents a 5.8% decrease in fund balance. The major revenue sources in the General Fund are state Minimum Foundation Program funding and ad valorem tax revenues. The School Board adopted a formal policy that stated that the General Fund's fund balance should be maintained between 10 and 15 per cent of General Fund expenditures. The current balance of 10.8% is within the fund balance limits set by the Board. The following chart shows the fund balance and operating history of the General Fund for the past two years and 2011-12:

Fiscal Year <u>Ended</u>	<u>Revenues</u>	<u>Expenditures</u>	Other Sources <u>(Uses)</u>	Excess <u>(Deficiency)</u>	Ending Fund <u>Balance</u>	Fund Balance as a Percentage of <u>Expenditures</u>
6/30/2010	\$128,777,496	\$126,377,463	(\$2,900,876)	\$2,400,033	\$ 17,311,383	13.70%
6/30/2011	\$131,559,114	\$133,041,354	(\$9,820)	(\$1,492,060)	\$ 15,819,323	11.89%
6/30/2012	\$136,892,385	\$137,385,577	(\$437,215)	(\$930,407)	\$ 14,888,916	10.84%

Revenues. Overall General Fund revenues in the General Fund had a net increase of about \$5.3 million. Ad valorem taxes were up \$681,194 for the year. The increase in ad valorem taxes was due to an increase in property assessment values and assessments on public utility services. State MFP funding increased by \$4.7 million after the state restored state appropriated funds to the MFP formula that were previously substituted with stimulus funding through the Education Jobs Bill and for increased student enrollment. Only \$75,164 in federal funds through the Education Jobs Bill (stimulus) were used to make up the short fall in state appropriations for the MFP for this year. Earnings on our investments continue to lag with no increases this year, mainly in depressed short-term interest rates for maturities up to 3 years out.

Expenditures. General Fund expenditures increased by about \$4.3 million or 3.3%. The major increases are due to the following: (1) an increase of over 16% in our employer costs for retirement benefits over the previous year for all state retirement system plans combined. This is about \$2.5 million in additional retirement expenditures. Total retirement plan contributions made from the General Fund in 2011-12 was \$18 million. (2) In addition, employer portion of premiums paid for employees participating in the state group insurance plan increased a total of \$1,785,112, or about 10%. This increase is largely due to two premium increases for health insurance implemented by the school board's group health insurance plan. Total cost of insurance premiums to the

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General Fund in 2011-12 was \$19.1 million. Other increases in expenditures came in increases in transportation fuel costs and normal employee salary step increases

Other Financing Uses. Total other sources (uses) increased by \$427,395. The main reasons for this increase were transfers made to the District #1 Maintenance & Operating Special Revenue Fund to cover overages in funds committed for maintenance and equipment repair, and a one-time transfer of funds to support the Internal Service Fund to ensure the payment of future workers compensation and general liability claims.

- **District #1 Sales Tax Special Revenue Fund.** The District #1 Sales Tax Special Revenue Fund is a major fund of the School Board. The proceeds from this tax are committed for the following specific purposes: (1) Instructional support – 36%, (2) capital improvements – 23%, (3) facility and equipment support – 15%, (4) salary restoration – 12%, and (5) mandated costs – 14%. The fund balance decreased by \$952,251 or 6.2% as compared to the previous year. The District #1 Sales Tax Fund ended the year with a fund balance of \$14,477,447.

Fiscal Year <u>Ended</u>	<u>Revenues</u>	<u>Expenditures</u>	Other Sources <u>(Uses)</u>	Excess <u>(Deficiency)</u>	Ending Fund <u>Balance</u>	Percentage Increase <u>(Decrease)</u>
6/30/2010	\$5,812,862	\$2,911,986	\$ -	\$2,900,876	\$ 17,308,880	20.13%
6/30/2011	\$6,166,113	\$8,045,295	\$ -	(\$1,879,182)	\$ 15,429,698	(10.86%)
6/30/2012	\$6,765,669	\$7,850,520	\$132,600	(\$952,251)	\$ 14,477,447	(6 17%)

Revenues. The primary revenue source for this fund is the collection of a 0.5% sales tax levied on sales and use of goods and services throughout the parish, excluding the City of Monroe. The levy of this sales tax was renewed by voters in April 2011 for an additional 10-year period. In 2011-12 revenues increased by \$599,556 or 7.5% over the previous year.

Expenditures. Expenditures decreased in 2011-12 by \$194,775, or 2.4%. This is primarily due to reducing the number of buses purchases from 14 in the previous year to only 10 this year. Also, project expenditures of \$1.4 million in the prior year to replace of airhandlers in older heating units in school facilities throughout the district was suspended this year, and this reduction was offset by mandated costs for payment of salaries and benefits for teachers who were on sabbatical leave during the fiscal year of approximately \$1.1 million. Sabbatical leave expenditures were charged to the General Fund in the previous year, and was transferred to the District #1 Maintenance and Operating Fund to reduce General Fund expenditures.

- **East Ouachita 2010-2011 Construction Capital Projects Fund.** The *East Ouachita 2011-2012 Construction* fund is a new major fund in 2011-12 and a new established Capital Projects Fund. The primary revenue source for this fund is the receipt of \$19.3 million in general obligation bond proceeds for two bond sales that took place during the fiscal year and any interest earned thereon. The remaining fund balance in this capital projects fund is to be used for facility construction and improvement projects in the bond district during the year. Construction projects are projected to be completed by June 2014.
- **Nonmajor Other Governmental Funds.** The nonmajor *Other Governmental Funds* accounts for all other governmental funds of the School Board which are not considered major funds. These funds are presented in the *Special Revenue Funds, Debt Service Funds, and Capital Projects Funds* combining financial statements. Other Governmental Funds ended with a \$28,012,094 fund balance at June 30, 2012. This increase of \$1.5 million (5.7%) over the previous year's fund balance is primarily due to increased reserves in the *Debt Service Funds* and reductions in spending in the *Special Revenue Funds*.

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Special Revenue Funds. Special Revenue Funds includes non-major funds for two sales tax salary supplement funds, the West Ouachita district sales tax fund, school food service, and all other federal, state, and local grants. Special Revenue Funds ended with a fund balance of \$14,330,935 for the year which is an increase of \$1,527,540, or 1.19%, from the prior year's ending fund balance. This is mainly due to increased collection of sale tax revenues in all sales tax funds and the suspension of new project expenditures in the *West Ouachita Sales Tax Fund* for school facility repairs, maintenance and improvements in order to reestablish funds for future projects. Total revenues decreased by \$2,652,438 primarily due to the expiration of federal ARRA stimulus funds in Title I and Special Education IDEA B Funds. Total expenditures in the *Special Revenue Funds* decreased by \$4,493,052 in the current year, primarily due to suspending new projects expenditures in the *West Ouachita Sales Tax Fund* and the ending of federal ARRA stimulus funds for Title I and Special Education IDEA B Funds on September 30, 2011. *State Grants* increased its fund balance by \$217,549 for its Medicaid programs that provide medical and health related services to students.

Debt Service Funds. Debt Services funds includes funds for the payment of maturing debt in the *East Ouachita Bond Fund* and the *West Ouachita Bond Fund*. The primary funding sources for these debt service funds are a transfer of sales tax proceeds from the *West Ouachita Sales Tax Fund* to the *West Ouachita Bond Fund* and a 30.0 mill ad valorem tax approved by voters in the East Ouachita Bond District and levied by the board annually. The *Debt Service Funds* ended the year with a fund balance of \$12,466,180 which is an increase of \$828,676 over the prior year. In accordance with state law, the fund balance in debt services funds should be maintained at a level not to exceed the next year's required principal and interest payments. Also, the debt service related to the West Ouachita 2009 QSCB Revenue Bonds requires annual principal payments to be invested and held in trust for the future payout of \$10 million to bond holders at maturity. Therefore the *Debt Service Fund* fund balance will increase annually until the \$10 million in QSCB Revenue Bond principal fully matures in 2019.

Capital Projects Funds. The Capital Projects Funds account for the following non-major funds in 2011-12: *West Ouachita 2009 QSCB Construction*, *West Ouachita 2008 Construction*, and *East Ouachita Construction*. The *Capital Projects Fund* ended the year with a \$1,214,979 fund balance. This is a \$4.5 million reduction in fund balance as compared to the previous year's ending fund balance. This is primarily the result of all construction projects drawing near to a completion in 2011-12. The *West Ouachita 2008 Construction* funds are nearly depleted at year-end. The *West Ouachita 2009 QSCB Construction* funds were used to start construction of the Science Technology Engineering and Math building at West Monroe High School and remaining funds will be used to finish the project in the next fiscal period. *East Ouachita Construction* funds were used for the renovation of the Sterlington Middle School gym which is also will be completed in the next fiscal period.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds by September 15th each year. State law provides the School Board may have variances of five-percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2011-12 original budget on September 13, 2011, and revised the budget on April 3, 2012. Differences between (a) the original and final budget and (b) the final budget and actual data of the General Fund are as follows:

Revenues (Final Budget) Original revenues budgeted in the General Fund were increased by \$572,403 or 0.4% in the final budget primarily due to final adjustments made during the year to state equalization funding for increased student enrollment. The Louisiana Department of Education issues a state MFP funding letter in July each year that estimates

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the state MFP funding to be provided to school districts in the state for the fiscal year. This letter is later revised for during the fiscal year for mid-year adjustments in December and March to account for adjustments in student enrollment as of October 1st and February 1st during the school year. Based on the July funding letter, the original budget for MFP funding was estimated to be approximately \$115.3 million to the General Fund. When the final MFP budget letter was received in March 2012, adjusting our funding upward for student growth during the year, the final budget for state MFP revenues was increased by \$695,008.

Revenues (Actual Data). Actual General Fund revenues exceeded the final budget by \$875,734. This was primarily due to the following (1) underestimating ad valorem tax revenue collections by \$280,595, (2) underestimating earnings on investments by \$144,608 due to the book-to-market at year end, and (3) underestimating payments from school Agency Funds for reimbursement of substitute costs, printing, and bus field trip charges of approximately \$393,872 at year-end.

Expenditures (Final Budget). The original budgeted expenditures in the General Fund increased on the final budget by \$834,229 or 0.6%. The primary reason for this increase is the second rate increase in health insurance premiums by the state Office of Group Benefits that occurred in December 2011. This increased premiums by another 6% which is approximately \$1.0 million in additional cost projected to be incurred through year-end. Also, rising fuel prices increased our original estimates for diesel and gas by approximately 26%.

Expenditures (Actual Data). Actual expenditures came in under budget by \$1,798,499, or 1.3%. This is primarily due to the actions taken by the School Board at mid-year to begin implementing a partial hiring-freeze to avert the fiscal cliff management has projected for the next fiscal period. The intent of the partial hiring freeze was not to replace staff positions through attrition with permanent full time staff. Full-time teaching staff were replaced with temporary certified teacher substitutes, and classified staff were not replaced, except in critical situations.

Other Financing Sources (Final Budget and Actual). There were no Other Sources in the original budget. However, the budget was amended to include \$38,000 in proceeds from the sale of assets. The actual proceeds from the sale of assets during the year were \$42,785.

Other Financing Uses (Final Budget and Actual). The original budget of \$250,000 was made in anticipation of overruns in the dedicated portion of the *District #1 Sales Tax Special Revenue Fund* for facility maintenance services, as had occurred in previous years. The budget was later revised to increase this transfer to \$480,000 as it was projected this fund would exceed the budget already set. At year-end, the actual transfer to the *District #1 Sales Tax Special Revenue Fund* was only \$132,600 as overruns were not as anticipated, and management transferred the remaining \$347,400 to the *Internal Service Fund* to support the payment of workers compensation claims.

Deficiency of Revenue over Expenditures (Final Budget and Actual). A deficiency of \$3,051,347 was originally budgeted, and with the final revision this estimate was increased by \$375,676 to \$3,427,023. The actual deficiency was \$930,407 for the year which is less than final budget by \$2,496,616 due to the changes in revenues and expenditures noted above.

Capital Assets

The Ouachita Parish School Board's investment in capital assets as of June 30, 2012 amounts to \$232,108,877 (net of accumulated depreciation and amortization) as reported on the *Statement of Net Assets*. This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, intangibles, and

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construction in progress, and reduced by accumulated depreciation and amortization expense from the current and prior years. The table below shows the values of each category for two years.

Ouachita Parish School Board's Governmental Activities

Capital Assets (Net of Depreciation and Amortization)

	June 30,	
	2012	2011
Land	\$ 6,160,668	\$ 6,148,660
Land improvements	2,614,136	2,268,097
Buildings and improvements	205,654,064	192,449,540
Furniture and equipment	8,797,276	9,665,030
Construction in progress	7,614,996	19,048,762
Intangible assets	1,267,737	1,374,095
Total	\$ 232,108,877	\$ 230,954,184

At June 30, 2012, net capital assets increased by \$1,154,693 million or 0.5% during the current fiscal year. Net capital assets were increasing on an average of \$25 million per year from the year 2000 until about 2005 when construction slowed down and net capital assets started increasing by approximately \$1 million per year. Then construction started again as the result of selling additional general obligation bonds and revenue bonds in 2007-08, 2008-09, 2009-10, and 2011-12. As a result, net capital assets have been increasing by an average of approximately \$12.8 million each year in the three years prior to 2011-12. However, that has now slowed in 2011-12 since the majority of these projects have been completed in prior years. Renovations and construction projects were the main reason for the \$1.1 million increase in net capital assets.

Major capital asset events during the fiscal year included the following:

- Purchased 10 buses for the fleet at a cost of \$756,765
- Purchased two small tracts of land adjacent to West Monroe High School - \$12,008
- Completed construction and renovation projects of in excess of \$19 million as follows:
 - Roof replacement at Maintenance/Annex Facility - \$393,574
 - New Sterlington Elementary School - \$12,418,094
 - Four new classrooms at Robinson Elementary and renovations - \$769,640
 - Recovered parking lot at Shady Grove - \$54,139
 - New greenhouse at Ouachita High - \$71,400
 - Batting cages and storage shed at Ouachita Junior High - \$17,139
 - Road entrance and front building canopy at Central Elementary - \$272,147
 - Two new classrooms at Good Hope Middle - \$415,204
 - Covered walkway, new secure building entrance and remodeled classrooms at Boley Elementary - \$64,299
 - New secure building entrance, update flooring and installed parking lot gates at George Welch - \$122,354
 - Renovate bathrooms, update flooring and conference room at Kiroli Elementary - \$158,729
 - New cafeteria and six-classroom wing at Woodlawn Elementary - \$2,823,065
 - Renovate auditorium and restrooms at West Monroe High - \$548,188
 - Baseball field improvements at Ouachita High - \$54,250

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- Baseball outfield fence and batting cage cover at Sterlington High - \$162,397
- The following capital improvement projects were still in progress at June 30, 2012
 - Total renovation of gym at Sterlington Middle School (old A.L. Smith School) - \$1,954,171
 - Enclose outside entrances and relocate school office at Crosley Elementary- \$538,885
 - Construct outdoor classroom and secure building entrance at Riverbend Elementary - \$198,219
 - New Science, Technology, Engineering and Math building at West Monroe High - \$828,964
 - New multipurpose building/gym at Lakeshore Elementary - \$294,020
 - Renovate bathrooms at Ouachita High - \$151,496
 - Update flooring at Swartz Lower Elementary - \$89,219
 - New maintenance shop at East Transportation Garage - \$580,425
 - Three new turf athletic fields at Ouachita High, Richwood High and Sterlington High - \$2,215,157
 - Renovations to science labs and replace basketball bleachers at Ouachita High - \$89,047
 - Resurface road to the baseball field at Ouachita High - \$184,785
 - New multipurpose building/gym and renovate dressing rooms at Ouachita Junior - \$120,485
 - New vocational building at Richwood High - \$4,950

Depreciation expense of \$9,295,827 and amortization expense of \$223,875 for the current fiscal year lowered all capital asset values by a total of \$9,519,702.

For additional information regarding capital assets, see Note 1 J. and Note 7 in the *Notes to the Basic Financial Statements* section of this report.

Debt Administration

At June 30, 2012, the School Board had \$152,903,556 in bonds outstanding, net of deferred amount of refunding. The table below summarizes the outstanding debt for each bond district at June 30, 2012 and for the prior year.

**Ouachita Parish School Board's Governmental Activities
Outstanding Debt**

Debt Instrument	June 30,	
	2012	2011
General obligation bonds – East Ouachita	\$ 83,950,000	\$ 67,650,000
Revenue bonds – West Ouachita	68,953,556	72,379,024
Certificates of indebtedness – West Ouachita	-	2,070,000
Total outstanding debt	\$ 152,903,556	\$ 142,099,024

Total outstanding debt increased by \$ 10,804,532 during the fiscal year as a result of the sale of \$19.3 million in general obligation bonds during the year in the East Ouachita district to finance construction projects. The certificates of indebtedness were paid off completely during the year

The total amount of principal that will mature in less than one year for all debt instruments is \$7,030,000

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

The state limits the amount of general obligation debt that school boards can issue to 35% of the assessed value of all taxable property within the school board's corporate limits. At June 30, 2012, East Ouachita Bond District's maximum legal debt limit was \$92,529,133. The East Ouachita District's outstanding general obligation bonded debt of \$83,950,000 is below the maximum debt limit.

The Ouachita Parish School Board continues to receive high ratings from Standard & Poor's on all of its outstanding debt:

<u>Debt Issues</u>	<u>Rating</u>	<u>Most Recent Ratings Issued</u>
General obligation bonds – East Ouachita	AA-	May 26, 2011
Revenue bonds – West Ouachita	AA-	November 29, 2011

Other long-term obligations of the School Board include accrued vacation pay and sick leave and other post-employment benefits. We present more detailed information about our long-term obligations in Note 1.N. and Note 12 in the *Notes to the Basic Financial Statements* section of this report.

Economic Factors and Next Year's Budgets and Rates

Below are several factors that will alter the original budget for fiscal year 2012-13 after its adoption:

- The property values for the 2012 tax roll were reassessed. Current information from the Ouachita Parish Tax Assessor shows the assessed values of property will increase 4.6% from \$714.4 million in 2011 to \$747.8 million in 2012, which is higher than the 1.2% increase originally budgeted. Total ad valorem collections from reassessment are expected to increase budgeted General Fund revenues by approximately \$750,000.
- State MFP funding is expected to increase approximately \$3.1 million. The decrease of 49 students estimated by the state did not materialize. Instead, actual student enrollment for 2012-13 has increased in excess of 350 students over the previous year based on the current year's October 1, 2012 enrollment count and beyond the 50 students lost to the state non-public voucher program.
- Due to the increase in student enrollment, additional classroom teachers were hired and will require increases in salaries and benefits by approximately \$720,000.
- The School Board has approved an additional \$300,000 in additional plant expenditures to repair playground equipment fall zones at elementary schools.

**General Fund
Summary of Original Budget
Fiscal year 2012-13**

Revenues	\$ 135,187,152
Expenditures	(134,980,221)
Other Sources (Uses) of Funds	<u>(789,606)</u>
Net Changes in Fund Balance	(582,675)
Beginning Fund Balance	<u>14,852,588</u>
Ending Fund Balance	<u>\$ 14,269,913</u>

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

The estimated ending fund balance at June 30, 2013 is 10.57% of total General Fund expenditures which is within the range of the School Board's current fund balance maintenance policy which is 10-15 % of expenditures. The main reasons for the budgeted reduction in fund balance are the continued increase in our fixed costs and a projected decrease in student enrollment. A deficit of \$8.5 million was anticipated for the 2012-13 fiscal year. Administration began the process early in 2011-12 to plan the necessary budget measures needed to reduce the looming deficit. The deficit is the result of overall revenues expected to decrease \$1.3 million mainly due to reductions in state MFP funding for lower student enrollment, and expenditures increasing by approximately \$6.3 million.

These are some of the major expenditures attributing to this deficit. Employer state retirement rates are again increasing more than 4% (or \$818,000) which is down from the 17% increase in 2011-12; and \$2.8 million in retirement expenditures funded through Education Jobs Bill funding is being transferred back to the General Fund as this federal stimulus funding expired June 30, 2012. [The decreasing severity of retirement rate increases over the past couple of years has now ended as we have just received preliminary estimates of an 11% increase in the state plan rates for the 2013-14 fiscal year, compared to the 4% increase in 2012-13.] Normal annual salary step raises will increase salaries and benefits by approximately \$1 million, and fuel costs are expected to increase approximately 12% or \$150,000.

The Office of Group Benefits (OGB), the administrator of our agent multi-employer sponsored plan for active and retiree participants' health and life insurance benefits, approved a 4% premium decrease effective August 2012. When combined with the 5-7% premium increase in the middle of the previous fiscal year, this this will reduce annual group insurance costs only by approximately \$110,000.

In anticipation of the 2012-13 fiscal cliff, the School Board approved administration's recommendation to implement a partial hiring freeze early in January 2012 which set guidelines for temporary replacement of classroom teachers and froze replacement of vacated support positions and administrative/certified-contract positions. For the 2012-13 budget, approximately 135 permanent position were eliminated through attrition for a reduction \$6.3 million in salaries and benefits. Other recommendations made by administration that were approved by the School Board for the 2012-13 fiscal year included reducing textbook purchases and suspending out of state travel, school matching funds program and extending band uniform purchasing cycle to save an additional \$1.2 million. With the implementation of these recommendations, the budgeted deficit has been reduced to \$582,675.

In regards to the impact of the local economy on the finances of the School Board, our local economy is the stability and strength of our financial success. Our local tax base has shown slow steady growth and has been resilient to the national economic decline. The prospect for increased employment in the region is certain with the recent expansion of CenturyLink facilities and plans to add 800 jobs to their payrolls over the next 5-10 years. The CenturyLink expansion also impacts the local housing market. Most of the direct jobs added will be from in-migration of employees. This will increase new home construction and existing home purchases over the next several years. Also, in June, 2012, Graphic Packaging International announced the completion of the \$8.6 million expansion of its consumer carton facility in West Monroe; this expansion created 47 new jobs for the community.

Our uncertainty comes with our state MFP funding. We are currently in the fourth year of level funding under the MFP, meaning the increase in funding for the annual 2.75% inflationary factor has been waived. We have been fortunate that during this time our student enrollment has continued to increase. As a result, the Ouachita Parish School Board has not had a reduction in MFP funding for many years. We do anticipate future student growth from the increase in jobs in our area and ongoing economic development in the region. MFP funding is awarded to school districts as a block grant where the School Board has the flexibility to make spending decisions. However with the changes made in the 2012 Legislative Session, more of this block grant funding received through the MFP, including local tax funds collected by the School Board, is being redirected to educational providers who operate outside of the

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



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**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2012

governing authority of the Ouachita Parish School Board and to fund new education programs initiated by the State Department of Education. As the state continues to face budget shortfalls and as the new education reform initiatives recently passed by the State Legislature this last session become fully implemented, it is undetermined at this time how these changes will impact the future sustainability of the School Board's current operations in the future through the MFP funding formula.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's financial condition and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Juanita H. Duke, CPA, Director of Business, Ouachita Parish School Board, P. O. Box 1642, Monroe, LA 71210-1642 or call at (318) 432-5000 or email to jduke@opsb.net.



COMMITTED
*to Academic Excellence
for ALL Students!*

*Our Mission:
Through collaboration
among all stakeholders, the
Ouachita Parish School System
will ensure that all students attain
the knowledge and skills needed
to be productive citizens.*

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012

BASIC FINANCIAL STATEMENTS

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**Ouachita Parish School Board
Monroe, Louisiana
Statement of Net Assets
Governmental Activities**

June 30, 2012

Assets:	
Cash and cash equivalents (Note 3)	\$ 47,183,386
Investments (Note 4)	41,677,311
Receivables (Note 6):	
Ad valorem taxes	82,182
Sales and use taxes	6,925,531
Federal grants	3,734,630
Other	770,530
Prepaid items (Note 1.H.)	1,384
Inventory (Note 1.H.)	320,558
Bond issuance costs, net (Note 1.I.)	814,934
Capital assets, net (Note 7):	
Land	6,160,668
Land improvements	2,614,136
Buildings and improvements	205,654,064
Furniture and equipment	8,797,276
Construction in progress	7,614,996
Intangible assets, net (Note 7)	<u>1,267,737</u>
Total assets	<u>333,619,323</u>
Liabilities:	
Accounts payable	2,263,452
Salaries and wages payable	22,568,521
Deposit liabilities	274,126
Unearned revenues	586,238
Interest payable - bonds	1,895,938
Long-term liabilities:	
Due within one year (Note 12)	14,260,857
Due in more than one year (Notes 9 and 12)	<u>201,285,390</u>
Total liabilities	<u>243,134,522</u>
Net assets: (Note O)	
Invested in capital assets, net of related debt	93,275,754
Restricted for:	
Debt service	12,466,180
Salaries and benefits	6,040,261
Workers compensation surety	625,000
Unrestricted	<u>(21,922,394)</u>
Total net assets	<u><u>\$ 90,484,801</u></u>

See accompanying notes to the basic financial statements.

Ouachita Parish School Board
Monroe, Louisiana
Statement of Activities
Governmental Activities

Fiscal Year Ended June 30, 2012

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Functions/programs:					
Instructional services:					
Regular programs	\$ 85,247,327	\$ 5,962	\$ 3,704,059	\$ -	\$ (81,537,306)
Special education programs	19,081,018	-	947,425	-	(18,133,593)
Vocational programs	2,060,638	-	281,313	-	(1,779,325)
Other instructional programs	8,433,690	184,312	1,594,149	-	(6,655,229)
Special programs	4,748,497	-	4,038,063	13,748	(696,686)
Adult/continuing education	1,307,125	90,391	1,196,261	-	(20,473)
Support services:					
Pupil support services	12,064,420	122,618	2,571,264	13,990	(9,356,548)
Instructional staff support services	15,249,486	-	5,917,862	-	(9,331,624)
General administration	2,117,165	-	34,338	-	(2,082,829)
School administration	12,936,711	-	578,040	-	(12,358,671)
Business services	3,096,381	6,620	912,590	-	(2,177,171)
Plant services	20,558,751	2,279	988,884	-	(19,567,589)
Student transportation services	11,091,742	-	438,304	-	(10,653,438)
Central services	3,319,011	7,813	84,839	-	(3,226,360)
Noninstructional services:					
Food service operations	12,247,610	1,919,605	7,274,932	-	(3,053,073)
Community service programs	77,809	38,339	13,695	-	(25,775)
Long-term obligations:					
Interest on long-term obligations	5,702,780	-	-	-	(5,702,780)
Total Governmental Activities	\$ 219,340,161	\$ 2,377,939	\$ 30,576,016	\$ 27,738	(186,358,468)
General revenues:					
Taxes:					
Ad valorem taxes levied for:					
General purposes					16,180,595
Debt service purposes					6,195,095
Sales taxes levied for:					
General purposes					16,957,573
Salaries and related benefits					22,445,192
Grants and contributions not restricted to specific programs:					
Minimum Foundation Program					117,404,761
State revenue sharing					823,218
Interest and investment earnings					436,428
Other					936,978
Total general revenues					181,379,840
Changes in net assets					(4,978,628)
Net assets at beginning of year					95,463,429
Net assets at end of year					\$ 90,484,801

See accompanying notes to the basic financial statements

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012

FUND FINANCIAL STATEMENTS (FFS)

Ouachita Parish School Board
Monroe, Louisiana

GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2012

(With Comparative Totals For June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND - DISTRICT #1 SALES TAX	CAPITAL PROJECTS - EAST OUACHITA 2011 - 2012 CONSTRUCTION	OTHER GOVERNMENTAL FUNDS	TOTAL	
					2012	2011
Assets:						
Cash and cash equivalents (Note 3)	\$ 14,509,538	\$ 4,997,155	\$ 13,570,993	\$ 12,945,593	\$ 48,023,279	\$ 34,703,307
Investments (Note 4)	16,746,298	9,018,120	-	11,930,687	37,695,083	38,037,103
Receivables (Note 6)						
Ad valorem taxes	64,346	-	-	17,836	82,182	72,674
Sales and use taxes	-	1,129,562	-	5,795,969	6,925,531	6,471,388
Federal grants	70,243	-	-	3,664,387	3,734,630	8,998,314
Other	144,008	-	-	626,522	770,530	895,549
Due from other funds (Note 13)	2,397,274	-	-	-	2,397,274	14,235,973
Inventory (Note 1 H)	-	-	-	320,558	320,558	371,923
Prepaid items	-	-	-	1,384	1,384	1,417
Total assets	\$ 33,931,705	\$ 15,144,837	\$ 13,570,993	\$ 35,302,916	\$ 97,950,451	\$ 101,487,848
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 1,014,022	\$ 38,550	\$ 847,878	\$ 362,502	\$ 2,262,952	\$ 2,025,893
Salaries and wages payable	18,028,767	828,840	-	3,910,914	22,568,521	22,432,632
Deposits payable	-	-	-	-	-	98,000
Retainages payable	-	-	240,231	33,895	274,126	783,863
Unearned revenues	-	-	-	586,238	586,238	526,854
Due to other funds (Note 13)	-	-	-	2,397,274	2,397,274	14,235,973
Total liabilities	19,042,789	867,390	1,088,109	7,280,823	28,089,111	40,103,215
Fund balances:						
Nonspendable: (Note 14)						
Inventory	-	-	-	148,911	148,911	114,280
Restricted for: (Note 14)						
Protected taxes	-	-	-	-	-	355,450
Preschool instruction	-	-	-	1,903	1,903	2,244
Workers compensation surety	625,000	-	-	-	625,000	625,000
Salaries and benefits	-	-	-	6,040,261	6,040,261	5,380,192
Student health services	-	-	-	1,349,533	1,349,533	1,177,327
Food services	-	-	-	1,231,575	1,231,575	1,186,675
Debt service	-	-	-	12,466,180	12,466,180	11,532,367
Construction and operations	-	-	-	5,141,743	5,141,743	4,572,463
Capital projects	-	-	12,482,864	1,214,979	13,697,863	5,694,513
Committed for: (Note 14)						
Major equipment repairs	715,351	-	-	-	715,351	500,000
Instructional programs	-	3,782,044	-	-	3,782,044	3,635,229
Salaries and benefits	-	4,583,008	-	-	4,583,008	4,614,732
Capital improvements	-	2,709,004	-	-	2,709,004	1,998,452
Mandated costs	-	3,403,391	-	-	3,403,391	5,181,285
Assigned for: (Note 14)						
Drivers education	167,460	-	-	-	167,460	150,299
Instructional programs	251,108	-	-	12,564	263,672	131,438
Salaries and benefits	-	-	-	7,850	7,850	26,241
Scholarships	4,836	-	-	-	4,836	9,260
Student health/support services	-	-	-	396,594	396,594	348,039
Unassigned (Note 14)	13,125,381	-	-	-	13,125,381	14,168,947
Total fund balances	14,888,916	14,477,447	12,482,884	28,012,093	69,861,340	61,384,433
Total liabilities and fund balances	\$ 33,931,705	\$ 15,144,837	\$ 13,570,993	\$ 35,302,916	\$ 97,950,451	\$ 101,487,848

See accompanying notes to the basic financial statements

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets
June 30, 2012**

Total fund balances – governmental funds **\$69,861,340**

The cost of capital assets (land, buildings, furniture and equipment) and intangible assets (software) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Assets includes those capital assets and intangible assets among the assets of the School Board as a whole. The cost of those capital and intangible assets is allocated over their estimated useful lives (as depreciation expense for capital assets and amortization expense for intangible assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.

Cost of capital assets	\$365,131,960	
Accumulated depreciation	(134,290,820)	
Cost of intangible assets	2,339,691	
Accumulated amortization	<u>(1,071,954)</u>	
		232,108,877

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs are not considered financial resources in the Statement of Net Assets; therefore, the costs are reported on the Statement of Net Assets as an asset net of accumulated amortization.

Bond issuance cost	2,087,550	
Accumulated amortization	<u>(1,272,616)</u>	
		814,934

Elimination of interfund assets and liabilities.

Interfund assets	(2,397,274)	
Interfund liabilities	<u>2,397,274</u>	
		-

See accompanying notes to the basic financial statements

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets (continued)
June 30, 2012**

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Assets. Post-employment benefits in the Governmental Funds are recorded as expenditures when paid. The unfunded annual required contribution in the Statement of Net Assets is recognized as a liability as it accrues.

Balances at June 30, 2012 are:

Long-term liabilities:

Compensated absences payable	(\$6,711,277)	
General obligation bonds payable	(83,950,000)	
Revenue bonds payable	(69,510,000)	
Deferred amount on refunding – Rev. bonds	556,444	
Bond premium	(442,364)	
Other post-employment benefits	<u>(54,387,168)</u>	
		(214,444,365)

Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Assets is recognized as an expense as it accrues.

Accrued interest on outstanding bonds		(1,895,938)
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See accompanying notes to the basic financial statements

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to Statement of Net Assets (concluded)
June 30, 2012**

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund is not reported with the Governmental Funds. The Internal Service Fund is reported in the Statement of Net Assets. The Internal Service Fund's net assets at June 30, 2012, are as follows:

Cash and cash equivalents	1,160,107	
Investments	3,982,228	
Accounts payable	(500)	
Claims liability	<u>(1,101,882)</u>	
		<u>4,039,953</u>
Net Assets		<u>\$90,484,801</u>

See accompanying notes to the basic financial statements

(concluded)

Ouachita Parish School Board
Monroe, Louisiana

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Fiscal Year Ended June 30, 2012

(With Comparative Totals For Fiscal Year Ended June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND - DISTRICT #1 SALES TAX	CAPITAL PROJECTS - EAST OUCHITA 2011/2012 CONSTRUCTION	OTHER GOVERNMENTAL	TOTAL	
					2012	2011
REVENUES						
Local sources:						
Ad valorem taxes (Note 5)	\$ 16,180,595	\$ -	\$ -	\$ 6,195,095	\$ 22,375,690	\$ 21,274,012
1% ad valorem tax - tax collector	542,707	-	-	-	542,707	532,787
Sales and use taxes	-	6,429,472	-	32,973,293	39,402,765	37,614,130
Earnings (losses) on investments	269,608	(12,210)	17,343	161,887	436,428	463,259
Cash payments for meals	-	-	-	1,919,805	1,919,805	1,991,058
Other	2,623,575	348,407	-	1,471,546	4,443,528	4,013,523
State sources:						
State equalization	115,965,079	-	-	1,439,682	117,404,761	112,675,404
Revenue sharing	823,218	-	-	-	823,218	825,408
Professional Improvement Program	213,608	-	-	-	213,608	287,916
State contribution for teacher retirement (Note 8)	45,574	-	-	-	45,574	50,835
Restricted grants-in-aid	45,444	-	-	1,616,012	1,661,456	1,697,565
Federal sources:						
Federal programs	182,979	-	-	24,245,913	24,428,892	28,686,287
Other federal support	-	-	-	447,921	447,921	373,111
Total revenues	<u>138,892,385</u>	<u>8,765,669</u>	<u>17,343</u>	<u>70,470,754</u>	<u>214,146,151</u>	<u>210,465,394</u>
EXPENDITURES						
Current:						
Instructional services:						
Regular programs	58,368,358	1,388,873	1,161,141	14,989,284	75,907,636	71,302,195
Special education programs	14,874,804	452,939	2,111	3,485,527	18,615,381	20,648,376
Vocational programs	1,422,393	113,722	1,056	496,555	2,033,725	2,719,411
Other instructional programs	4,617,952	1,660,886	2,111	2,037,283	8,318,212	8,870,395
Special programs	432,996	32,464	-	4,065,827	4,531,397	5,617,414
Adult/continuing education	35,890	-	-	1,288,544	1,304,434	1,282,272
Support services:						
Pupil support services	7,206,201	915,790	-	3,721,149	11,843,140	11,615,744
Instructional staff support services	7,313,807	502,894	6,332	6,668,564	14,489,597	12,827,388
General administration	1,369,360	45,062	-	453,024	1,867,446	1,767,901
School administration	10,717,818	221,314	-	1,796,614	12,735,746	11,882,860
Business services	1,898,078	19,486	-	1,060,607	2,978,171	3,072,795
Plant services	17,046,249	1,271,334	139,091	1,799,318	20,255,992	22,411,844
Student transportation services	8,644,963	934,508	6,349	1,164,949	10,750,769	10,257,836
Central services	2,805,815	16,820	-	210,214	3,032,849	2,976,100
Noninstructional services:						
Food service operations	760,353	145,730	-	11,210,577	12,106,660	11,110,853
Community service programs	27,366	-	-	50,460	77,826	75,034
Facility acquisition and construction	51,374	128,698	5,445,244	4,189,405	9,814,721	17,419,393
Debt service (Note 12):						
Principal	-	-	-	8,546,000	8,546,000	7,800,000
Interest and other charges	1,800	-	-	5,552,333	5,554,133	5,695,407
Bond issuance costs	-	-	71,026	-	71,026	155,612
Total expenditures	<u>137,385,577</u>	<u>7,850,520</u>	<u>6,834,469</u>	<u>72,763,294</u>	<u>224,833,850</u>	<u>229,389,830</u>
Excess (deficiency) of revenues over expenditure	<u>(493,192)</u>	<u>(1,084,851)</u>	<u>(6,817,116)</u>	<u>(2,292,540)</u>	<u>(10,687,699)</u>	<u>(18,924,436)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	42,785	-	-	-	42,785	9,668
Bond issuance	-	-	19,300,000	-	19,300,000	-
Issuance of refunding debt	-	-	-	-	-	8,546,000
Premium on refunding debt	-	-	-	-	-	225,486
Premium on bond sales	-	-	-	169,222	169,222	-
Payment to refunded debt escrow agent-princi	-	-	-	-	-	(8,110,000)
Payment to refunded debt escrow agent-interet	-	-	-	-	-	(684,091)
Transfers in (Note 16)	-	132,600	-	8,719,437	8,852,037	8,812,447
Transfers out (Note 16)	(480,000)	-	-	(8,719,437)	(9,199,437)	(8,817,447)
Total other financing sources (uses)	<u>(437,215)</u>	<u>132,600</u>	<u>19,300,000</u>	<u>169,222</u>	<u>19,164,607</u>	<u>(19,037)</u>
Net change in fund balances	(930,407)	(952,251)	12,482,884	(2,123,318)	8,476,908	(18,943,473)
Fund balances at beginning of year	15,819,323	15,429,698	-	30,135,412	61,384,433	80,327,906
Fund balances at end of year	<u>\$ 14,888,916</u>	<u>\$ 14,477,447</u>	<u>\$ 12,482,884</u>	<u>\$ 28,012,094</u>	<u>\$ 69,861,341</u>	<u>\$ 61,384,433</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities (continued)
For the Year Ended June 30, 2012**

Total net change in fund balances – Governmental Funds **\$8,476,907**

Amounts reported for governmental activities in the Statement of Activities are different because:

Elimination of transfers in and out:

Transfers in	(\$9,199,437)
Transfers out	<u>9,199,437</u>

Capital outlays and intangible assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense for the capital assets and amortization expense for the intangible assets. This is the amount by which capital outlays exceed depreciation and amortization in the period:

Capital Outlays	10,723,515	
Depreciation	(9,295,827)	
Intangible Assets	117,517	
Amortization	<u>(223,875)</u>	
		1,321,330

Capital Assets nor depreciation are reported in the Governmental Funds. Capital assets and accumulated depreciation are reported in the Statement of Net Assets. When an asset is disposed of that is not fully depreciated it results in a loss on the disposal of the asset in the Statement of Activities unless sales proceeds are received which are in excess of carrying value. During the current fiscal year the School Board had a loss on disposal of capital assets of \$166,637. (166,637)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 8,545,000

See accompanying notes to the basic financial statements. (continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities (continued)
For the Year Ended June 30, 2012**

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs do not require the use of current financial resources; therefore, the costs are amortized over the life of the bond issue in the Statement of Net Activities. For the year ended June 30, 2012, bond issuance costs exceeded current year amortization of bond issuance costs as follows:

Bond issuance costs	\$71,025	
Current year amortization of bond issuance costs	<u>(59,968)</u>	11,057

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund is not reported with the Governmental Funds; however, it is reported in the Statement of Net Assets. The net assets in the Internal Service Fund decreased from \$4,367,944 at June 30, 2011 to \$4,039,953 at June 30, 2012 for a net decrease of \$327,991. (327,991)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) – are measured by the amounts earned during the year in the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$427,426) was less than the amount used (\$499,567) by \$72,141. 72,141

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities (continued)
For the Year Ended June 30, 2012**

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities; however, interest expenses are recognized as the interest accrues, regardless of when it is due. Interest expense payable at year end decreased from the previous year as follows:

Interest expense payable at June 30, 2012	(\$1,895,938)	
Interest expense payable at June 30, 2011	<u>1,824,585</u>	(71,353)

Bond premium from bond sales is reported in the Governmental Funds as Other Financing Sources when received. Bond premium is reported in the Government-wide Financial Statements as a liability and amortized over the life of the bonds

Bond premium	(169,222)	
Current year amortization expense	<u>32,206</u>	(137,016)

Payments to an escrow agent to refund bonded debt are reported in the Governmental Funds as Other Financing Sources. The amount paid to the escrow agent for principal is removed from the long-term bonded debt in the Statement of Net Assets. The deferred part of the payment paid to the escrow agent is shown as a reduction of long-term debt in the Statement of Net Assets. The deferred amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.

Current year amortization		(49,532)
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See accompanying notes to the basic financial statements

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities (concluded)
For the Year Ended June 30, 2012**

Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.	(3,352,534)
General obligation bonds issued in 2011-12 are included in the Governmental Funds as Other Financing Sources. Bond issues are not reported on the Statement of Activities but are reported as long-term liabilities on the Statement of Net Assets.	
General obligation bonds	<u>(19,300,000)</u>
Change in net assets of governmental activities	<u>(\$4,978,628)</u>

See accompanying notes to the basic financial statements.

(concluded)

**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Net Assets**

June 30, 2012 and 2011

	Total	
	2012	2011
Assets:		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,160,107	\$ 1,306,301
Investments (Note 4)	3,982,228	3,997,382
Total assets	5,142,335	5,303,683
Liabilities:		
Current liabilities:		
Accounts payable	500	10,566
Claims liability - due within one year (Note 1.Q.)	568,571	480,961
Total current liabilities	569,071	491,527
Noncurrent liabilities:		
Claims liability (Note 1. Q.)	533,311	444,212
Total liabilities	1,102,382	935,739
Unrestricted net assets	\$ 4,039,953	\$ 4,367,944

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Revenues, Expenses
and Changes in Net Assets**

Fiscal Years Ended June 30, 2012 and 2011

	Total	
	2012	2011
Operating revenues		
Reimbursements from insurers	\$ 209,601	\$ 330,993
Operating expenses		
Self-insurance claims and insurance premiums	890,774	1,143,735
Operating income (loss)	(681,173)	(812,742)
Nonoperating revenues		
Earnings on investments	5,782	9,949
Income (loss) before transfers	(675,391)	(802,793)
Transfers in	347,400	-
Change in net assets	(327,991)	(802,793)
Net assets at beginning of year	4,367,944	5,170,737
Net assets at end of year	\$ 4,039,953	\$ 4,367,944

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Cash Flows**

Fiscal Years Ended June 30, 2012 and 2011

	Total	
	2012	2011
Cash flows from (used by) operating activities:		
Reimbursements from insurers	\$ 209,601	\$ 331,084
Claims and premiums paid	(724,131)	(1,167,807)
Net cash provided (used) by operating activities	(514,530)	(836,723)
Cash flows from noncapital financing activities:		
Transfer from General Fund	347,400	-
Cash flows from (used by) investing activities:		
Sale (purchase) of investments, net	15,154	(1,173,344)
Earnings on investments	5,782	9,949
Net cash provided (used) by investing activities	20,936	(1,163,395)
Net increase (decrease) in cash and cash equivalents	(146,194)	(2,000,118)
Cash and cash equivalents at beginning of year	1,306,301	3,306,419
Cash and cash equivalents at end of year	\$ 1,160,107	\$ 1,306,301
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (681,173)	\$ (812,742)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in receivables	-	91
Increase (decrease) in payables	(10,066)	10,566
Increase (decrease) in claims liability	176,709	(34,638)
Net cash provided (used) by operating activities	\$ (514,530)	\$ (836,723)
Noncash investing activities:		
Increase (decrease) in fair value of investments	\$ (15,154)	\$ 1,173,344

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



Ouachita Parish School Board
Monroe, Louisiana

Fiduciary Fund - Agency Funds
Comparative Statement of Fiduciary Assets and Liabilities

June 30, 2012 and 2011

	<u>Total</u>	
	<u>2012</u>	<u>2011</u>
Assets:		
Cash and cash equivalents	<u>\$ 3,823,378</u>	<u>\$ 3,778,365</u>
Liabilities:		
Amounts held for others	<u>\$ 3,823,378</u>	<u>\$ 3,778,365</u>

See accompanying notes to the basic financial statements



COMMITTED
*to Academic Excellence
for ALL Students!*

*Our Mission:
Through collaboration
among all stakeholders, the
Ouachita Parish School System
will ensure that all students attain
the knowledge and skills needed
to be productive citizens.*

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

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**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2012**

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(concluded)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Ouachita Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.

B. Basis of Accounting/Measurement Focus

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level. The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Program revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

General Revenues

General revenues included in the Statement of Activities derive directly from local property and sales taxes and from unrestricted state and local grants. General revenues finance the remaining balance of a function not covered by program revenues.

Allocation of indirect expenses

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 is specifically identified by function and is included in the direct expense 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 (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds reported in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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 is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Proprietary Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Operating revenues are charges to the General Fund for insurance related costs such as claims liability and insurance premiums. Non-operating revenues are revenues that are not derived from charges to the General Fund such as earnings on investments. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. Operating expenses are general liability and worker's compensation claims and worker's compensation insurance premiums.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year. Other post-employment benefits (OPEB) are recorded in the Government-wide Financial Statements as expenditures and as a liability when incurred.

C. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity and are reported in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The School Board uses the following fund categories and fund types.

Governmental Funds: Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

1. Summary of Significant Accounting Policies (continued)

their assets, liabilities, revenues, and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The major and nonmajor funds are described below:

Major Funds:

General Fund – The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund and is always a major fund. The sources of major operating revenue in the General Fund are from state equalization funding distributed through the Minimum Foundation Program and a 24.5 mill ad valorem tax that is renewable every 10 years. This tax was renewed by voters in April 2011 for another 10-year period.

Special Revenue Funds – Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The District #1 Sales Tax is the only major Special Revenue Fund. It collects, records and disburses funds related to a 0.5% 10-year renewable tax approved by voters and committed by the School Board for classroom instruction (36%), capital improvements (23%), facility and equipment support (15%), mandated costs (14%), and salary restoration (12%). This tax was renewed by voters in April 2011 for another 10-year period.

Debt Service Funds – Debt Service Funds account for and report the financial resources that are restricted, committed, or assigned to expenditures for principal and interest. There are no Debt Service Funds classified as major funds at year end. For a more detailed description of the Debt Service Funds, see the Required Supplemental Information – Part B, Debt Service Funds.

Capital Projects Funds – Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The East Ouachita 2011-2012 Construction Capital Projects Fund is the only major Capital Projects Fund. The projects in this fund are funded by \$19.3 million in general obligation bonds authorized by voters in April 2011. These bonds were sold in two phases: \$9.8 million in July 2011 and \$9.5 million in March 2012.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

1. Summary of Significant Accounting Policies (continued)

Nonmajor Funds:

The School Board has 10 nonmajor Special Revenue Funds, 2 nonmajor Debt Service Funds, and 3 nonmajor Capital Projects Funds. For a description of these funds see the Nonmajor Special Revenue Funds, Debt Service Funds, and Capital Projects Funds sections of the report.

Proprietary Funds:

Internal Service Fund – The Internal Service Fund accounts for the financing of services provided by one fund to other funds of the School Board. The **Self-Insurance Internal Service Fund** provides for insurance policies and accounts for third-party administrative costs and claims for liabilities of the school district.

Fiduciary Funds:

Agency Funds – Agency Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private or school organizations, other governmental units and/or other funds. The **School Activity Funds** and **State Equalization Local Funding Transfers to Other Educational Providers** are reported as Agency Funds.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits, bank certificates of deposit, as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are stated at cost, which approximates fair value. Short-term investments are stated at cost, which approximates fair value.

Cash balances of all of the School Board's funds, except for the Payroll Account and the Self Insurance Internal Service Account, are pooled into one master bank account with the School Board's fiscal agent bank. The Payroll Account and the Self Insurance Internal Service Account are maintained in separate accounts.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate "book" cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, "Due to Other Funds." The balance of these amounts will be paid primarily through collections of grants reimbursement claims from Federal and State grant awarding agencies.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

I. Summary of Significant Accounting Policies (continued)

E. Investments

Louisiana Revised Statutes (R.S. 33:2955) and the Board's investment policy govern the investment policies of the School Board. The Ouachita Parish School Board is authorized to invest in U. S. Treasury obligations, U.S. Government instrumentalities, A-1, P-1 commercial paper, and other allowable short-term obligations including repurchase agreements. These are classified as investments if they have a maturity date of 90 days or more from the date of acquisition. Investments are carried at fair value.

Cash management and investment activities shall be conducted in a manner consistent with the "prudent investor" rule which states, "Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

F. Short-Term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as *due from* other funds or *due to* other funds on the fund financial statements balance sheet.

G. Eliminations and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column. Interfund services provided and used by the various Governmental Funds have not been eliminated in the process of aggregating data.

H. Inventory and Prepaid Items

Inventory is accounted for using the consumption method, where expenditures are recognized as expenses when consumed on the Government-wide Financial Statements and a portion are recognized as expenditures when consumed and a portion are recognized as expenditures when purchased on the Fund Financial Statements. Inventory is stated at cost using the first-in, first-out (FIFO) basis. Inventory consists primarily of commodities and purchased food held for consumption. Purchased food inventory in the governmental funds is equally offset by a fund balance reserve which shows this inventory does not constitute "available spendable resources" even though it is a component of total assets. Commodities inventory of \$171,647 is reported as unearned revenue, leaving a nonspendable fund balance of \$148,911 for purchased food.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

1. Summary of Significant Accounting Policies (continued)

Certain payments to vendors for travel expenditures reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are also accounted for using the consumption method where expenditures are recognized as the prepaid item expires with the passage of time.

I. Bond Issuance Costs

Costs (bond rating fees, attorney fees, printing, etc.) associated with issuing bonds are capitalized and amortized over the life of the bond issue in the Government-wide Financial Statements. The bond issuance costs are reported as expenditures in the Fund Financial Statements. The following is a summary of governmental activities bond issuance cost transactions for the year ended June 30, 2012:

	Bond Issuance Costs	Accumulated Amortization
Balance June 30, 2011	\$ 2,016,525	\$ 1,212,648
Additions	71,025	59,968
Balance June 30, 2012	\$ 2,087,550	\$ 1,272,616

J. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Government-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than \$5,000 and an estimated useful life of 2 years or more as a capital asset. Intangibles, such as software, with an initial individual cost of \$25,000 or more and an estimated useful life of 2 years or more are considered a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's best estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial.

Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	40 years
Land improvements	20 years
Furniture and equipment	5-15 years
Intangibles	10-20 years

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

I. Summary of Significant Accounting Policies (continued)

Public domain (infrastructure) capital assets (e.g. parking lots, sidewalks, and other assets that are immovable and of value only to the government) were capitalized as part of the construction cost of the buildings. Subsequent infrastructure improvements are capitalized as land improvements.

K. Unearned Revenues

The School Board reports unearned revenues on its Statement of Net Assets and on the Fund Financial Statements' balance sheet. Unearned revenues arise when the School Board receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence 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 Governmental Fund's Fund Financial Statements' balance sheet and the revenue is recognized.

L. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers made between governmental and propriety funds are eliminated as part of the reconciliation to the Government-wide Financial Statements

M. Compensated Absences

All 12-month employees earn from 10 to 15 days of annual leave each year depending on length of service with the School Board. Annual leave is credited at the beginning of each fiscal year and a maximum of five days can be accumulated and carried forward into a new fiscal year. Upon termination of employment, unused annual leave up to 20 days is paid to employees at employees' current rates of pay.

All school employees earn ten days of sick leave each year. Sick leave may be accumulated without limitations. Upon retirement or an employee's death, unused accumulated sick leave of up to 25 days is paid to employees at the employees' current rates of pay. The accrual recorded for earned sick leave is based on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, unused accumulated sick leave is used in the computation of earned years of service credit for determining employee retirement benefits.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

1. Summary of Significant Accounting Policies (continued)

Sick and vacation leave are reported in the Statement of Net Assets as a long-term liability and expensed in the Statement of Activities. Sick and vacation leave accrued in the Statement of Net Assets as of the end of the fiscal year are valued at employees' current rates of pay. Neither the School Board nor the employees are required to contribute to the retirement system for sick and annual leave payments. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire. A current liability for sick and annual leave is reported in the Governmental Funds only if it is due and payable as of year-end as the result of an employee's retirement during the fiscal year.

N. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In the Government-wide Financial Statements bond premiums and issuance costs are reported on the balance sheet net of amortization and amortized over the life of the bonds. Bond discounts have been reported in the Government-wide Financial Statements as a reduction of long-term liabilities, net of accumulated amortization. Bond proceeds have been reported in the Government-wide Financial Statements as a long-term liability.

The current cost of other post-employment benefits is recognized in the fund financial statements in the year earned. Other post-employment benefits earned as of July 1, 2007, prior to the implementation of Governmental Accounting Standards Board Statement No. 45 – *Accounting and Financial Reporting of Other Post Employment Benefits*, are recognized at a rate of 3% per year for fiscal years ending June 30, 2008 – 2037

O. Equity Classifications

Government-wide Financial Statements

Equity is classified as Net Assets in the Government-wide Financial Statements. Net assets is shown in three classifications:

- Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced generally by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets

**Ouachita Parish School Board
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**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

- **Restricted net assets** – Consists of net assets with constraints placed on the use whether by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

In the Statement of Net Assets the following net assets are considered restricted:

- Debt service resources from sales and use taxes and ad valorem taxes levied specifically to meet the principal and interest payments of various general obligation and revenue bond issues approved by the vote of the people and in accordance with state law and bond covenants.
 - The unspent proceeds from bonded debt, net of remaining balance of bonded debt incurred for construction projects not yet completed, when bonds were approved by voters for capital construction and renovation projects.
 - Available resources from sales taxes specifically dedicated by taxing propositions approved by voters for the payment of supplemental salaries and benefits to employees.
 - Investments held by the Louisiana Workforce Commission as surety for payment of workers compensation claims of self-insured employers, as promulgated under Louisiana Revised Statute 23:1168.
- **Unrestricted net assets** – All other net assets that do not meet the definition of “restricted” or “investment in capital assets, net of related debt”.

Fund Financial Statements

In the fund financial statements, equity is classified as fund balance. Fund balance is classified according to its useful purpose or function of restriction at year-end in one or more of the following categories, as defined by GASB Statement 54:

- **Nonspendable** fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.
- **Restricted** fund balance represent resources restricted by tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.
- **Committed** fund balance indicates the School Board’s tentative plans for the use of financial resources in a future period. Fund balance commitments are made by Board approved resolutions.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

- Assigned fund balances are those determined by the Superintendent and Director of Business, under authority given under a resolution of the Board, as needed for the payment of future commitments.

The Board has not established a formal policy regarding order of spending fund balances that are restricted, committed, or assigned. The School Board's informal policy for the spending prioritization of fund balances is that *restricted* would receive top priority, followed by *committed*. *Assigned* would receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amounts that have been committed or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit. See Note 14 for more detail of fund balance nonspendable, restrictions, designations, and assignments.

The School Board has established through board resolution unassigned fund balance requirements. The General Fund unassigned fund balance should be maintained between 10 and 15 percent of General Fund expenditures. If the unassigned fund balance decreases below the 10 percent minimum balance, expenditures should be made only for non-reoccurring items.

P. Sales and Use Taxes

The voters of Ouachita Parish have authorized the collection of four sales and use taxes for the benefit of the School Board.

Supplemental Salaries Sales Tax (0.5%) – This half-cent parishwide sales and use tax is levied and collected jointly by the City of Monroe School Board and the Ouachita Parish School Board. The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily enrollment for the preceding school year. The tax revenue is restricted to supplement other revenues available to the School Board for the following purposes in accordance with the taxing proposition:

- Eighty-eight percent of the revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education.
- Twelve percent of the revenues received by the School Board are to be used for the payment of salaries to designated personnel, other than teachers.

Supplemental Salaries Sales Tax (1.0%) – This one-cent parishwide sales and use tax is levied and collected by the School Board only, and is restricted to supplement other revenue available to the School Board for the exclusive purpose of providing teacher and school employees' salaries and benefits in accordance with the taxing proposition.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

1. Summary of Significant Accounting Policies (continued)

District #1 Sales Tax (0.5%) – This half-cent parishwide sales and use tax is levied and collected by the School Board only. The tax revenue is committed to supplement other revenues available to the School Board for the following purposes:

- Thirty-six percent (36%) for classroom instruction,
- Twenty-three percent (23%) for capital improvements,
- Fifteen percent (15%) for facility and equipment support,
- Fourteen percent (14%) for the payment of mandated costs, and
- Twelve percent (12%) to restore salary reductions.

West Ouachita Sales Tax (1.0%) – This one-cent sales and use tax is a district tax levied and collected by the West Ouachita Parish School Bond District for a period of 27 years and expires in the year 2025. The tax proceeds are used for constructing, acquiring, improving, equipping, furnishing, maintaining, and/or operating schools and school related facilities in the district, with the proceeds of the tax being subject to funding into bonds for capital improvements.

Q. Self-Insurance

The School Board is exposed to certain risks associated with damage to its property resulting from perils or theft, employee liabilities for benefits, earnings or work injury, general liabilities to third parties, and other risks related to professional errors and omissions. The School Board is covered through insurance policies for these risks. The School Board is also at risk from injuries to students, employees, and citizens incurred on our facilities through negligence and to employees being injured on the job. The School Board is partially self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. The School Board has an excess insurance policy which covers individual workers' compensation claims and occurrences when an individual claim exceeds \$600,000. The School Board self-insures, or is responsible for the costs, of a claim up to this retention amount.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

1. Summary of Significant Accounting Policies (continued)

Revenues that finance the operations of the Self-Insurance Internal Service Fund are considered operating revenues and include charges for services and insurance proceeds from losses. Revenues that are not derived directly from the operations of the self-insurance program are considered non-operating revenues and include earnings on investments. The School Board has increased the net assets in the Internal Service Fund over the years with transfers from the General Fund in years surpluses were available to cover future catastrophic losses.

Expenses related to these insurance programs are recognized in the self-insurance fund as claims are incurred. A liability for unpaid and incurred-but-not-reported claims is based on the School Board's known claims and its previous experience. A third-party administrator, who processes and investigates claims, pays valid claims and estimates the liabilities for unpaid claims, manages the workers' compensation and general liability insurance program for the School Board. School Board personnel manage all other insurance programs.

During the fiscal year, total expenses for claims and insurance premiums related to the self-insurance programs were \$890,774. The School Board's activity in claims liability for fiscal years 2012 and 2011 was:

	2012	2011
Claims liability at beginning of the year	\$ 925,173	\$ 959,811
Incurred claims and provision for incurred but not reported	868,740	651,674
Claims payments	(692,031)	(686,312)
Claims liability at the end of the year	\$ 1,101,882	\$ 925,173
Claims liability due within one year	\$ 568,571	\$ 480,961

In 2011-12 the reserve for incurred claims and incurred claims but not reported is on the rise due to increase in claims activity for both general liability and workers compensation self-insured programs. During the fiscal year, one claim for a work injury that occurred in 2008 was settled during the 2011-12 fiscal year for cumulative costs that exceeded the School Board's \$550,000 self-insured retention for that coverage year.

R. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

2. Expenditures – Budget and Actual

The following nonmajor Governmental Funds had actual expenditures exceed total budgeted expenditures for the year ended June 30, 2012.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Final Budget</u>
Special Revenue Funds:			
Education Jobs Funds-Stimulus	\$2,838,381	\$2,855,790	(\$17,409)
Title I Programs	\$5,974,543	\$6,081,855	(\$107,312)

It should be noted that even though the above funds experienced an overrun in budgeted expenditures, none of the overruns represent a legal violation in excess of 5% of total expenditures in accordance with the Louisiana Local Government Budget Act. A supplemental grant award in the amount of the overage for the Education Jobs Fund was received late in the fiscal year and a budget adjustment was not made. Then there were purchases made late in the year under the Title I program in preparation of summer instructional programs; further, sufficient funds were available to cover the additional expenditures, as 100% of the funds awarded by the grantor were not budgeted during the fiscal year as the grant award period extends beyond the fiscal year period.

3. Cash and Cash Equivalents

Custodial credit risk-deposits. At year-end, as reported on the Statement of Net Assets and the Agency Funds' Comparative Statement of Assets and Liabilities, the book balances of the School Board's deposits (including bank certificates of deposit) were \$47,183,386 and \$3,823,378, respectively. The School Board had bank balances totaling \$55,302,855 at June 30, 2012 of which \$2,257,420 were covered by federal depository insurance and \$53,045,435 were covered by collateral held by the trust department of agents of the pledging financial institutions in the School Board's name. Securities that may be pledged as collateral are obligations of the United States Government and its agencies, and obligations of the State of Louisiana and its municipalities and school districts. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

3. Cash and Cash Equivalents (continued)

Individual funds with significant book cash deficit balances at June 30, 2012 were as follows:

Fund	Cash Deficit
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Title I Programs	\$ 612,618
Special Education IDEA-B	622,685
Other Federal Programs	959,988
Total	\$ 2,195,291

These cash deficits stem from expenditure reimbursement-type grant awards where grant funds are received after claims are filed with grantor agencies after expenditures have been incurred. Therefore, these deficit balances represent outstanding claim reimbursements at year end.

4. Investments

The School Board's formal investment policy allows funds which are available for investment and above immediate cash requirements to be invested in accordance with the following: (a) first priority shall be to secure safety of principle, (b) the second priority shall be to ensure liquidity of funds to meet the obligations of the School Board, and (c) the third priority shall be the yield of investments.

As of June 30, 2012 the School Board's investments of \$41,677,311 consisted of 100% U. S. Government Instrumentalities and were carried at fair value. Fair value was determined by obtaining year-end market prices.

Credit risk. The School Board's investment policy's objective is to mitigate credit risk. Credit risk is extremely low because the Louisiana state statutes limit investments of its political subdivisions to U. S. Government instrumentalities, Investment grade (A-1/P-1) commercial paper of domestic United States corporations, and other allowable short-term obligations including repurchase agreements. All of the School Board's investments are to be invested in Government Securities which have credit ratings of AAA according to Standard & Poor's and are implicitly guaranteed by the U. S. Government. No broker/dealer or bank shall hold over twenty-five percent of the School Board's total portfolio to decrease credit risk.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

4. Investments (continued)

Interest rate risk. In accordance with its investment policy, the School Board manages its exposure to declines in fair values. Interest rate risk is the risk that the market value of the securities in the portfolio will fall due to the changes in general interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity, and
- By investing operating funds primarily in shorter-term securities of one year or less. Longer terms may be used for bond issue funds held for construction purposes.

Of the amount invested in U. S. Government instrumentalities, \$28,360,480 matures in less than twelve months. The remaining \$13,316,831 of the total portfolio's maturity dates are more than 12 months. A laddering strategy which spreads maturity dates is used to meet liquidity requirements and to decrease interest rate risk.

A loss on investment is reported in the Governmental Funds-Statement of Revenues, Expenditures, and Changes in Fund Balances for the Special Revenue Fund – District #1 Sales Tax, a major fund, in the amount of \$12,210. This loss does not represent a realized loss on investments, but reflects the change in market value of agency discount notes held at year-end. The actual earnings on investments held in this major Special Revenue Fund during the fiscal year were \$26,144, which is offset by the adjustment to market value loss of \$38,358 at year-end in accordance with GASB Statement 31. As our investment policy is described above, the interest-rate risk associated with these agency discount notes will be averted as management plans to hold these investments until maturity in the next fiscal period.

5. Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property, which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provides that land and residential property are to be assessed at 10% of fair market value; however, agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. Based on the reappraised value, the assessor will "roll forward" or "roll back" the tax millage to equal the prior year taxable amount. If the assessor "rolls back" the tax millage, the School Board has the option to "roll forward" the

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

5. Ad Valorem Taxes (continued)

millage rate back to the prior year's rate. The School Board opted to "roll forward" the 2008-09 millage rate back to the 2007-08 rate for the current reassessment period. The next reassessment will be held in fiscal year 2012-13.

The School Board is permitted by constitutional and statutory authority of the State to levy taxes up to 29.33 mills per \$1,000 of assessed valuation for operations other than for the payment of principal and interest on long-term debt. This is the amount which was levied for calendar year 2011. The School Board was authorized by the citizens of the East Ouachita Bond District to levy taxes sufficient to pay the principal and interest that matures annually on the outstanding general obligation bonds sold by the Bond District. The School Board levied 30 mills on the 2011 tax roll for the East Ouachita Bond District. The Sheriff of Ouachita Parish, as provided by State law, is the official tax collector of general property taxes levied by the School Board.

The 2011 property tax calendar was as follows:

Millage rates adopted	July 21, 2011
Tax levy date	November 15, 2011
Tax bills mailed	November 21, 2011
Tax due date	December 31, 2011
Tax lien date	January 1, 2012

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the General Fund and in the East Ouachita Bond Debt Service Fund on the basis explained in Note 1.C. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

6. Receivables

The receivables of \$11,512,873 at June 30, 2012, as reported in the Governmental Funds are as follows:

	General Fund	Special Revenue- District #1 Sales Tax	Nonmajor Funds-Other Governmental	Total
Ad valorem taxes	\$ 64,346	\$ -	\$ 17,836	\$ 82,182
Sales taxes	-	1,129,562	5,795,969	6,925,531
Federal grants	70,243	-	3,664,387	3,734,630
Other	144,008	-	626,522	770,530
Total	<u>\$ 278,597</u>	<u>\$ 1,129,562</u>	<u>\$ 10,104,714</u>	<u>\$ 11,512,873</u>

All receivables are expected to be collected within the next fiscal year.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

7. Capital Assets

The changes in capital assets during the fiscal year were as follows:

Governmental Activities:	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 6,148,660	\$ 12,008	\$ -	\$ 6,160,668
Construction-in-progress	<u>19,048,762</u>	<u>7,405,124</u>	<u>(18,838,890)</u>	<u>7,614,996</u>
Total capital assets, not being depreciated:	<u>25,197,422</u>	<u>7,417,132</u>	<u>(18,838,890)</u>	<u>13,775,664</u>
Capital assets, being depreciated:				
Land improvements	2,302,020	606,894	-	2,908,914
Buildings and improvements	290,194,301	19,851,531	-	310,045,832
Furniture and equipment	<u>37,955,376</u>	<u>1,686,848</u>	<u>(1,240,674)</u>	<u>38,401,550</u>
Total capital assets, being depreciated	<u>330,451,697</u>	<u>22,145,273</u>	<u>(1,240,674)</u>	<u>351,356,296</u>
Less accumulated depreciation:				
Land improvements	(33,923)	(260,855)	-	(294,778)
Buildings and improvements	(97,744,761)	(6,647,007)	-	(104,391,768)
Furniture and equipment	<u>(28,290,346)</u>	<u>(2,387,965)</u>	<u>1,074,037</u>	<u>(29,604,274)</u>
Total accumulated depreciation	<u>(126,069,030)</u>	<u>(9,295,827)</u>	<u>1,074,037</u>	<u>(134,290,820)</u>
Total capital assets, being depreciated, net	<u>204,382,667</u>	<u>12,849,446</u>	<u>(166,637)</u>	<u>217,065,476</u>
Capital assets, being amortized:				
Intangibles	2,222,174	117,517	-	2,339,691
Less accumulated amortization:				
Intangibles	<u>(848,079)</u>	<u>(223,875)</u>	<u>-</u>	<u>(1,071,954)</u>
Total capital assets, being amortized, net	<u>1,374,095</u>	<u>(106,358)</u>	<u>-</u>	<u>1,267,737</u>
Total governmental activities, capital assets, net	<u>\$ 230,954,184</u>	<u>\$20,160,220</u>	<u>(\$19,005,527)</u>	<u>\$232,108,877</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

7. Capital Assets (continued)

Depreciation and amortization expense was charged to governmental activities as follows:

	Depreciation Expense	Amortization Expense
<i>Instructional services:</i>		
Regular programs	\$ 7,272,664	\$ 107,432
Special education programs	65,875	34,472
Vocational programs	33,346	3,265
Other instructional programs	91,105	2,050
Special programs	33,196	14,530
Adult/continuing education	124	543
<i>Support services:</i>		
Pupil support services	26,762	-
Instructional staff support services	97,409	13,114
General administration	10,208	-
School administration	490	-
Business services	37,931	17,015
Plant services	609,989	1,980
Student transportation services	677,001	-
Central services	232,074	28,574
<i>Non-instructional services:</i>		
Food service operations	107,653	900
Total depreciation and amortization expense	\$ 9,295,827	\$ 223,875

During the 2011-12 year, the School Board entered into new contracts totaling \$11,758,958, and in the 13 previous years the School Board entered into contracts totaling \$202,248,470 to construct 8 schools, 2 vocational centers, 5 turf athletic fields, and 11 multipurpose buildings and to make additions and renovations to 28 schools and district facilities. These construction contracts are estimated to be completed within the next fiscal year. Work already started but not completed during the 2011-12 fiscal year on contracts totaling \$7,614,996 was capitalized as construction-in-progress.

At June 30, 2012, the School Board had \$274,125 in contract retainages related to construction-in-progress. These retainages will be paid at the completion of outstanding construction contracts in the 2012-13 year.

At June 30, 2012, these contracts have \$5,191,756 remaining in work to be completed within the next year. The contracts will be paid by the Capital Project Funds and the West Ouachita Sales Tax Special Revenue Fund.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

8. Retirement Systems

In 1996, the School Board adopted Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The School Board had no pension liability or asset at the effective date of the transition.

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and administrative support staff) and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL). Other employees working in custodial services or student transportation are members of the Louisiana School Employees' Retirement System (LSERS). These systems are state established cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description. The TRSL consists of four membership plans: Regular Plan, Plan A, Plan B, and Optional Retirement Plan (ORP). The School Board participates in three of the membership plans — the Regular Plan, Plan A, and ORP. The TRSL provides retirement benefits as well as disability and survivor benefits. Five years of service credit are required to become vested for retirement, disability and survivor benefits in all plans. Benefits are established by State statute.

TRSL issues a financial report that includes *financial statements* and required supplementary information. This report is available to the public and can be obtained by visiting the TRSL website at www.trsl.org, by submitting a written request to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling TRSL directly at (225) 925-6446.

Funding Policy. Plan members are required to contribute the following percentage of their covered salary to the plan through payroll deduction:

Regular Plan members	8.0%
Plan A members (lunchroom workers)	9.1%
Optional Retirement Plan members	7.9%

The School Board is also required to contribute to the plan an actuarially determined percentage of plan members covered salary. The rates and contributions paid by the School Board for the last three fiscal years for all three retirement plans were:

2009-10	15.5%	\$15,132,590
2010-11	20.2%	\$20,186,512
2011-12	23.7%	\$23,589,870

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

8. Retirement Systems (continued)

Member contributions and employer contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to TRSL, as provided by state law, is funded primarily by contributions by the School Board and then from appropriations from the State, and with a 1% statutory deduction from ad valorem tax collections of local taxing bodies statewide.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. The vesting periods for members are as follows:

Regular retirement

Members enrolled before July 1, 2010	10 Years
Members enrolled on or after July 1, 2010	5 Years

Disability retirement

Members enrolled before July 1, 2006	5 Years
Members enrolled on or after July 1, 2006	10 Years

Benefits are established and amended by state statute. The LSERS issues a financial report that includes financial statements and required supplementary information for the LSERS. This report is available to the public and may be obtained by visiting their website at www.lasers.state.la.us, by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute the following percentage of their covered salary to the plan through payroll deduction effective July 1, 2010:

Plan members enrolled prior to July 1, 2010	7.5%
New plan members enrolled on or after July 1, 2010	8.0%

The School Board is also required to contribute to the plan an actuarially determined percentage of plan members covered salary. The rates and contributions paid by the School Board for the last three fiscal years were:

2009-10	17.6%	\$1,987,619
2010-11	24.3%	\$2,744,814
2011-12	28.6%	\$3,184,058

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

8. Retirement Systems (continued)

Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee annually. The School Board's employer contribution for the LSERS, as provided by state law, is funded by appropriations made by the State and remittances from the School Board.

9. Other Post Employment Benefits

Plan Description. The Ouachita Parish School Board compensates its employees in a variety of ways in exchange for their services. In addition to a salary many employees are provided benefits over their years of service that will not be received until their employment with the School Board ends. The most common type of postemployment benefit is a pension. Other postemployment benefits (OPBB) provided are healthcare and life insurance benefits. As permitted by Louisiana Revised Statute (LSA-R.S.) 17:1223, the School Board provides continuing healthcare and life insurance benefits for certain retired employees through its participation in a fully insured health insurance and life insurance program administered by the Office of Group Benefits (OGB). Benefit provisions are established or may be amended under the authority of LRS 42:802 by the Commissioner of Administration. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. OGB does not issue a stand alone financial report on the OPEB plan; however, the financial information is included in the State of Louisiana's Comprehensive Annual Financial Report which can be found at their website at www.doa.la.gov/OSRAP/CAFR-2.htm.

Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at www.groupbenefits.org - "*Quick Links*" - "*Health Plans*". The OGB plan is a multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. This valuation has been performed using the standard OGB rate structure. In addition, the OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility, and we have assumed that 25% of post-Medicare eligibility retirees elect that plan for this alternative calculation. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement and deferred retirement eligibility provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, or age 65 and 20 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance (not including AD&D). In addition, optional coverage is available under a Humana Life Insurance product where the blended rate (active and retired) is \$.25 per \$1,000 (not including AD&D). The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB 45 requires the use of "unblended" rates,

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**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

9. Other Post-Employment Benefits (continued)

we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2007, the Ouachita Parish School Board recognized the cost of providing post-employment medical and life benefits (the Ouachita Parish School Board's portion of the retiree premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

Effective July 1, 2007, the Ouachita Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree insurance costs.

For the fiscal year ended June 30, 2012, the Ouachita Parish School Board's portion of retiree health care and life insurance premiums totaled \$6,295,554. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution. The Ouachita Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows for fiscal years beginning July 1, 2011, and 2010:

	Fiscal year ended June 30	
	2012	2011
Normal Cost	\$ 2,962,065	\$ 3,051,593
30-year UAL amortization amount	7,595,976	8,781,547
Annual Required Contribution (ARC)	\$ 10,558,041	\$ 11,833,140

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

9. Other Post-Employment Benefits (continued)

Net Post-Employment Benefit Obligation. The table below shows the change in the School Board's Net Other Post-employment Benefit (OPEB) Obligation during the fiscal years ended 2011 and 2012:

	<u>Fiscal year ended June 30</u>	
	<u>2012</u>	<u>2011</u>
Beginning Net OPEB Obligation	\$51,034,634	\$45,782,177
Annual Required Contribution	10,558,041	11,833,140
Interest on net OPEB Obligation	2,041,385	1,831,287
ARC Adjustment	<u>(2,951,338)</u>	<u>(2,647,588)</u>
OPEB Cost	9,648,088	11,016,839
Contribution	0	0
Current year retiree premium	<u>(6,295,554)</u>	<u>(5,764,382)</u>
Change in Net OPEB Obligation	<u>3,352,534</u>	<u>5,252,457</u>
Ending Net OPEB Obligation	<u>\$54,387,168</u>	<u>\$51,034,634</u>

The following table shows the Ouachita Parish School Board's annual post-employment benefits (PEB) cost, percentage of the annual cost contributed, and the net unfunded post-employment benefits (PEB) liability for the current fiscal year and with comparative data for previous fiscal year:

<u>Post- Employment Benefit</u>	<u>Fiscal Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
Medical and Life	2012	\$9,648,088	60.18%	\$54,387,168
Medical and Life	2011	\$11,016,839	52.30%	\$51,034,634

Funded Status and Funding Progress. In the fiscal years ending June 30, 2012 and 2011, the Ouachita Parish School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2011 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) was \$131,349,620, which is defined as that portion, as determined under 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.

**Ouachita Parish School Board
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**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

9. Other Post-Employment Benefits (continued)

The funded status of the plan, as determined by an actuary as of July 1st of fiscal years 2012 and 2011 is as follows:

	Fiscal year ended June 30	
	2012	2011
Actuarial Accrued Liability (AAL)	\$131,349,620	\$157,926,070
Actuarial value of plan assets (AVP)	0	0
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$131,349,620</u>	<u>\$157,926,070</u>
Funded ratio	0%	0%
Covered payroll (active plan members)	\$116,041,953	\$117,265,436
UAAL as a percentage of Covered Payroll	113.19%	134.67%

The Schedule of Funding Progress and Schedule of Employer Contributions required supplemental information follows the notes. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

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) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). 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 Ouachita Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Ouachita Parish 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 Ouachita Parish 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.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

9. Other Post-Employment Benefits (continued)

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. 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 OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%.

Post-employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the Deferred Retirement Option Plan (D.R.O.P.) offered by the state retirement systems. This consists of a three-year D.R.O.P. period plus two additional years. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, or age 65 and 20 years of service. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 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. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2010 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

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Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

9. Other Post-Employment Benefits (continued)

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB 45 and have been used for valuation purposes.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.5% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary as a determining factor.

Post-retirement Benefit Increases. The plan benefit provision in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

10. Deferred Compensation Plan

The School Board offers a deferred compensation plan for employees under the provisions of Internal Revenue Service Code 457 (Deferred Compensation Plan). Part-time, seasonal and substitute employees are required to contribute 7.5% of their compensation to the Deferred Compensation Plan in lieu of social security, as the School Board does not participate in social security under a Section 218 Agreement for these employee classes. Full-time employees may also voluntarily make contributions to the Deferred Compensation Plan. The School Board does not contribute or match employee contributions to the Deferred Compensation Plan. At June 30, 2012, the Plan had assets with an approximate market value of \$2,952,018. The assets in the Plan are held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 32 the Plan is not reported in the School Board's financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

11. Agency Fund Deposits Due Others (FFS level only)

A summary of changes in agency fund deposits due others follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Agency Funds:				
School Activity Funds	\$3,778,365	\$11,347,276	(\$11,302,263)	\$3,823,378
State Equalization Local Funding Transfers to Other Educational Providers	-	99,467	(99,467)	-
Total	<u>\$3,778,365</u>	<u>\$11,446,743</u>	<u>(\$11,401,730)</u>	<u>\$3,823,378</u>

12. General Long-Term Obligations

The general obligation bonds are obligations of East Ouachita Bond District, with maturities from 2012 to 2034 and interest rates from 1.0% to 5.625%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. At June 30, 2012, the statutory limit and debt margins are as follows:

	<u>East Ouachita Bond</u>
Assessed Value	\$ 264,368,951
35% of assessed value	92,529,133
Less: Outstanding general obligation bonds	<u>(83,950,000)</u>
Debt Margin	<u>\$ 8,579,133</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

12. General Long-Term Obligations (continued)

The following shows the changes in general obligation bonds, revenue bonds, and limited tax certificates of indebtedness:

Original Issue	Outstanding July 1, 2011	New Issuance	Payments	Outstanding June 30, 2012	Interest Rate On Unpaid Debt	Total Future Interest
General obligation						
bonds:						
3.0%-4.5% issued 4/26/05, due 2012-2025	\$11,520,000	\$ -	(\$625,000)	\$10,895,000	3.50%- 4.50%	\$3,552,635
3.625%-4.750% issued 3/14/06; due 2012- 2024	19,395,000	-	(1,130,000)	18,265,000	3.625%- 4.75%	5,449,215
3.75%-6.0 % issued 10/1/07; due 2012-2032	9,075,000	-	(250,000)	8,825,000	3.75%- 5.00%	4,348,536
4.0%-6.0% issued 1/1/08; due 2012-2032	9,305,000	-	(255,000)	9,050,000	4.00%- 5.625%	4,547,460
4.0%-5.0% issued 1/1/09; due 2012-2033	9,345,000	-	(240,000)	9,105,000	4.00%- 5.00%	5,515,394
2.75%-4.375% issued 1/11/10; due 2012- 2034	9,010,000	-	(200,000)	8,810,000	2.750%- 4.375%	4,949,219
2.0%-4.0% issued 7/1/11; due 2012-2031	-	9,800,000	(300,000)	9,500,000	2.0%- 4.0%	3,560,394
1.0%-3.5% issued 3/1/12; due 2013-2032	-	9,500,000	-	9,500,000	1.0%- 3.5%	3,229,188
Total general obligation bonds	\$67,650,000	\$19,300,000	(\$3,000,000)	\$ 83,950,000		\$35,152,041

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

12. General Long-Term Obligations (continued)

Original Issue	Outstanding July 1, 2011	New Issuance	Payments	Outstanding June 30, 2012	Interest Rate On Unpaid Debt	Total Future Interest
Revenue bonds:						
4.25 %-7.0% issued 9/1/98; due 2011-2011	\$ 935,000	\$ -	(\$ 935,000)	\$ -	-	\$ -
4.5 %-6.0% issued 4/1/99, due 2011-2011	790,000	-	(790,000)	-	-	-
4.1%-7 0% issued 3/1/01; due 2011-2024	280,000	-	(280,000)	-	-	-
5.25%-7 0% issued 3/01/02; due 2012-2024	110,000	-	(55,000)	55,000	5.25%- 7.0%	1,925
3.75%-4.15% issued 3/14/06; due 2012-2024	8,045,000	-	(390,000)	7,655,000	3.75%- 4.15%	2,333,479
4.0%-6.0% issued 10/01/07; due 2012-2024	10,505,000	-	(535,000)	9,970,000	4.0%- 4.15%	2,896,809
3.25%-4.25% issued 10/11/08 due 2012-2024	4,560,000	-	(235,000)	4,325,000	3.25%- 4.25%	1,247,362
3.00%-4.25% issued 3/30/09 due 2012-2023	29,215,000	-	(180,000)	29,035,000	3.00%- 4.50%	7,552,919
1% Taxable QSCB issued 11/09/2010 due 2011-2024	10,000,000	-	-	10,000,000	0.6%	780,000
2.00%-4.00% issued 12/09/10 due 2012-2024	8,545,000	-	(75,000)	8,470,000	2.00%- 4.00%	2,632,644
Deferred amount of refunding	(605,976)	-	49,532	(556,444)	-	-
Total revenue bonds	\$72,379,024	-	(\$3,425,468)	\$68,953,556	-	\$17,445,138

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

12. General Long-Term Obligations (continued)

Original Issue	Outstanding July 1, 2011	New Issuance	Payments	Outstanding June 30, 2012	Interest Rate on Unpaid Debt	Total Future Interest
Limited Tax Certificates of Indebtedness:						
3.5%-4.4% issued 3-1-02; Due 2011-2012	\$ 860,000	\$ -	(\$ 860,000)	\$ -	-	\$ -
3.0%-3.7% issued 3-28-03; Due 2011- 2012	1,210,000	-	(1,210,000)	-	-	-
Total limited tax certificates of indebtedness	2,070,000	-	(2,070,000)	-	-	-
Total bonds and limited tax certificates of indebtedness	\$142,099,024	\$19,300,000	(\$8,495,468)	\$152,903,556		\$52,597,179

(concluded)

Principal and interest are due in total, to maturity, as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total
2013	\$ 7,030,000	\$ 5,569,316	\$ 12,599,316
2014	7,330,000	5,324,285	12,654,285
2015	7,625,000	5,056,998	12,681,998
2016	7,960,000	4,777,754	12,737,754
2017	8,295,000	4,482,716	12,777,716
2018-2022	47,230,000	17,251,332	64,481,332
2023-2027	48,045,000	7,322,524	55,367,524
2028-2032	17,955,000	2,691,598	20,646,598
2033-2034	1,990,000	120,656	2,110,656
Total	\$153,460,000	\$52,597,179	\$206,057,179

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

12. General Long-Term Obligations (continued)

The following is a summary of governmental activities long-term obligation transactions for the year ended June 30, 2012:

Long-term Obligations	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012	Amounts Due Within One Year
Claims liability	\$ 925,173	\$ 868,740	(\$ 692,031)	\$ 1,101,882	\$ 568,571
Compensated absences	6,783,418	427,426	(499,567)	6,711,277	418,351
OPEB	51,034,634	9,648,088	(6,295,554)	54,387,168	6,261,261
Long-term debt	142,099,024	19,300,000	(8,495,468)	152,903,556	6,980,468
Other	<u>1,089,211</u>	<u>169,222</u>	<u>(816,069)</u>	<u>442,364</u>	<u>32,206</u>
Total	<u>\$201,931,460</u>	<u>\$30,413,476</u>	<u>(\$16,798,689)</u>	<u>\$215,546,247</u>	<u>\$14,260,857</u>

Other long-term obligations at June 30, 2012, consist of bond premiums of \$442,364.

During the fiscal year, the Ouachita Parish School Board issued \$19,300,000 in general obligation bonds in the East Ouachita Bond District for the purpose of constructing new facilities and making improvements to school facilities, as authorized by voters in the district on April 30, 2011. These bonds were sold in two issues. On July 7, 2011, \$9,800,000 in bonds were sold at a premium of \$13,473 and accrued interest of \$5,243 from the July 1, 2011 issuance date, with maturities over a period of 20 years and interest rates ranging from 2.0% to 4.0%. A second issue of \$9,500,000 was sold on March 8, 2012 at a premium of \$155,749 and accrued interest of \$4,733 from the March 1, 2012 issuance date, with maturities over a period of 20 years with interest rates ranging from 1.0% to 3.5%. These bonds were assigned a rating of "AA-" by *Standard & Poor's Public Finance Ratings*.

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the East Ouachita Bond Debt Service Fund. Payments on the revenue bonds payable and the tax liability certificates of indebtedness that pertain to the School Board's governmental activities are funded by transfers from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund. The compensated absences liability attributable to the governmental activities will be liquidated by the School Board's General Fund.

The School Board does not have plans to place funds in an irrevocable trust to liquidate the other post-employment benefits liability. It is the School Board's plan to continue on a pay-as-you go basis for OPEB benefits. As a result, this liability will continue to increase over time.

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Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

13. Interfund Assets/Liabilities (FFS level only)

Individual balances due to/from other funds at June 30, 2012 were as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Funds:		
General Fund:		
Deficit cash balances	\$ -	\$ 2,195,291
Indirect cost	-	201,983
Total General Fund	<u>-</u>	<u>2,397,274</u>
Nonmajor Funds:		
Special Revenue Funds:		
Title 1 Programs:		
Deficit cash balances	612,618	-
Indirect cost	62,444	-
Total Title I Programs	<u>675,062</u>	<u>-</u>
Special Education IDEA B:		
Deficit cash balances	622,685	-
Indirect cost	53,034	-
Total Special Education IDEA-B	<u>675,719</u>	<u>-</u>
Other Federal Programs:		
Deficit cash balance	959,988	-
Indirect cost	86,505	-
Total Other Federal Programs	<u>1,046,493</u>	<u>-</u>
Total	<u>\$ 2,397,274</u>	<u>\$ 2,397,274</u>

The balances due for cash deficits are due to timing differences in receiving reimbursements from grantors for expenditure reimbursement grants after the fiscal year ended and for funds held in investments at year end that were not available to pay current obligations. The General Fund pays the obligations of expenditure reimbursement grants until a claim is filed and payment is received. Indirect cost balances represent the outstanding indirect cost payments due to the General Fund for the expenditures on outstanding grant reimbursement requests filed but not yet received from grantors by year end. All interfund transactions at year end will be completed during the 2012-13 fiscal year.

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Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

14. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)

The following Governmental Funds' fund balances are nonspendable, legally restricted, Board committed, or assigned for the following purposes:

Fund	Nonspendable	Amount
Nonmajor Funds:		
Special Revenue Funds:		
School Food Service	Food inventory	\$ 148,911
Total Nonspendable Fund Balance		\$ 148,911
Fund	Restricted	Amount
Major Funds:		
General Fund	Workers Compensation Surety	\$ 625,000
Capital Project Funds.		
East Ouachita 2011-2012 Construction	Capital projects	12,482,884
Total Major Funds		13,107,884
Nonmajor Funds:		
Special Revenue Funds.		
Supplemental Salaries Sales Tax – 1%	Salaries and related benefits	4,395,590
Supplemental Salaries Sales Tax – .5%	Salaries	1,644,671
West Ouachita Sales Tax	Construction and operations	5,141,743
School Food Service	Food services	1,231,575
Other Federal Programs	Preschool instruction	1,903
State Grants	Student health services	1,349,533
Total Nonmajor Special Revenue		13,765,015
Debt Service Funds.		
East Ouachita Bond	Bonded Debt	4,865,456
West Ouachita Bond No. 2	Debt service	7,600,724
Total Nonmajor Debt Service		12,466,180
Capital Projects Funds.		
East Ouachita 2009 Construction	Capital projects	520,199
West Ouachita 2009 Construction	Capital projects	601,990
West Ouachita 2008 Construction	Capital projects	92,790
Total Nonmajor Capital Projects		1,214,979
Total Restricted Fund Balances		\$40,554,058

**Ouachita Parish School Board
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**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

**14. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)
(continued)**

The School Board has committed the following Governmental Funds fund balances for these specific purposes:

<u>Fund</u>	<u>Committed</u>	<u>Amount</u>
Major Funds:		
General Fund	Major equipment repairs	\$ 715,351
Special Revenue Funds:		
District #1 Sales Tax	Instructional programs	3,782,044
District #1 Sales Tax	Capital improvements	2,709,004
District #1 Sales Tax	Mandated costs	3,403,391
District #1 Sales Tax	Salaries and benefits	4,583,008
Total Major Special Revenue Funds		<u>14,477,447</u>
Total Committed Fund Balances		<u>\$15,192,798</u>

The School Board has assigned the following Governmental Funds fund balances for these specific purposes:

<u>Fund</u>	<u>Assigned</u>	<u>Amount</u>
Major Funds:		
General Fund	Drivers education	\$ 167,460
General Fund	Instructional programs	251,108
General Fund	Scholarships	4,636
Total General Fund		<u>423,204</u>
Nonmajor Funds:		
State Grants	Student health/support services	389,670
Local Grants	Instructional programs	12,564
Local Grants	Student health/support services	6,924
Local Grants	Scholarships	7,850
Total Nonmajor Special Revenue		<u>417,008</u>
Total Assigned Fund Balances		<u>\$ 840,212</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2012**

15. Litigation and Contingencies

The School Board is a defendant in several lawsuits. Management for the School Board believes that the potential claims against the School Board not covered by insurance have been adequately accrued at June 30, 2012. As more fully described in Note 1.Q., the School Board is exposed to various risks through its self-insurance plan for damage to property from natural disasters, fire and errors and omissions.

As with the majority of all other school boards within the state, the Ouachita Parish School Board is substantially dependent upon federal, state and local funding. The loss or reduction of these funding sources would have a significant impact on its operations.

16. Interfund Transfers (FFS level only)

Transfers to/from other Governmental Funds for the year ended June 30, 2012 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$ -	\$ 480,000
Special Revenue Funds:		
District #1 Sales Tax	132,600	-
Nonmajor Funds:		
Special Revenue Funds:		
West Ouachita Sales Tax	-	8,719,437
Debt Service Funds:		
West Ouachita Bond No. 2	8,719,437	-
Proprietary Fund:		
Internal Service Fund	347,400	-
Total	\$ 9,199,437	\$ 9,199,437

A transfer of \$132,600 was made from the General Fund to the District #1 Sales Tax Special Revenue fund for Maintenance and Operation expenditures. A transfer was made from the General Fund to the Internal Service Fund for \$347,400 for Workers' Compensation claims. Transfers totaling \$8,719,437 were made from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund as principal and interest payments became due.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (concluded)
Fiscal Year Ended June 30, 2012**

17. Subsequent Events

MFP Funding

The October 1, 2012 student count indicates an increase of approximately 350 students over the previous year, which will result in over \$2 million in additional state funds received through the MFP funding formula for the 2012-13 fiscal year.

1968 Sales Tax Issue

On December 4, 2012, the Monroe City School Board received the special report from its independent auditor dated November 12, 2012, on the calculation and distribution of the 13th Sales Tax Supplement checks. One of the sales taxes reviewed in the report is the 1968 Sales Tax (Supplemental Salaries - .5% Sales Tax Fund) which the Ouachita Parish School Board shares collections on a prorata basis with the Monroe City School Board based on the average annual enrollment of students between the two systems, in accordance with the taxing proposition. The conclusions made in this report regarding the classification of employees who participate in the distribution of supplements paid from the 1968 Sales Tax can also be constructively applied to the practices of the Ouachita Parish School Board. The conclusions reached by the CPA firm are different in some respects to the way School Board management has interpreted these classifications since the inception of the 1968 Sales Tax salary supplement distributions. However, management and legal counsel are of the opinion the School Board has classified its employees properly for the 1968 Sales Tax issue based on subsequent court decisions and definitions made by the Department of Education over the years.

Education Reform

On November 30, 2012, the 19th Judicial District Court of the State of Louisiana issued declaratory judgements that Act No. 2 and Senate Concurrent Resolution (SCR) No. 99 of the 2012 Legislative Session unconstitutionally divert MFP funds that are constitutionally mandated to be allocated to public elementary and secondary schools to nonpublic entities in violation of Article VIII, Section 13(B) of the Louisiana Constitution of 1974, and also unconstitutionally divert local funds included in the MFP that are constitutionally mandated to be allocated to public elementary and secondary schools to non-public entities in violation of Article VIII, Section 13(C) of the Louisiana Constitution of 1974, as implemented by LSA-R.S. 47:338.84. These rulings are subject to the appeals process and, depending on the outcome of any appeals, may have an impact on the future construction of the state MFP funding formula. The various education reform and funding provisions in Act 2 and SCR 99 mostly became effective in fiscal year 2012-13, with some not becoming effective until the 2013-14 fiscal year.



COMMITTED
*to Academic Excellence
for ALL Students!*

*Our Mission:
Through collaboration
among all stakeholders, the
Ouachita Parish School System
will ensure that all students attain
the knowledge and skills needed
to be productive citizens.*

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012

**REQUIRED SUPPLEMENTARY INFORMATION
(PART B)**

Ouachita Parish School Board
Monroe, Louisiana

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

**Budgetary Comparison Schedule
Fiscal Year Ended June 30, 2012**

General Fund and Major Special Revenue Funds with Legally Adopted Budgets

General Fund

The General Fund accounts for all activities of the School Board except for those that are accounted for in other funds. The major source of revenues for the General Fund are state equalization funding through the Minimum Foundation Program formula and a 24.5-mill ad valorem tax that was renewed in April 2011 for 10 years.

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. These funds, for the most part, are established for specific educational purposes and funded through the U. S. Department of Education or the Louisiana State Department of Education. The School Board is centrally located in Northeast Louisiana and acts as a regional fiscal agent for the State Department of Education for many educational programs.

District No. 1 Maintenance and Operations Sales Tax Fund

The District No.1 Maintenance and Operations Sales Tax Fund collects, records and disburses funds related to the .5% sales tax renewed in April 2011 for 10 years to provide additional support for the school system. The School Board committed the tax classroom instruction—36%, capital improvements—23%, facility and equipment support—15%, mandated costs—14%, and salary restoration—12%.

Ouachita Parish School Board
Monroe, Louisiana

GENERAL FUND
Budgetary Comparison Schedule (GAAP Basis)

Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Over (Under)
	Original Budget	Final Budget		
Budgetary fund balance at beginning of year	\$ 15,114,005	\$ 15,819,323	\$ 15,819,323	\$ -
Resources (Inflows)				
Local sources:				
Ad valorem taxes	15,943,000	15,900,000	16,180,595	280,595
1% ad valorem tax - tax collector	550,000	550,000	542,707	(7,293)
Earnings on investments	150,000	125,000	269,608	144,608
E-rate	585,000	691,200	723,388	32,188
Other	1,581,065	1,506,315	1,900,187	393,872
Total local sources	18,809,065	18,772,515	19,616,485	843,970
State sources:				
State equalization	115,369,458	115,965,079	115,985,079	-
Revenue sharing	826,000	825,386	823,218	(2,168)
Professional Improvement Program	250,000	225,000	213,606	(11,394)
Restricted grants-in-aid	38,666	53,456	91,018	37,562
Unrestricted grants-in-aid	44,500	-	-	-
Total state sources	116,528,624	117,068,921	117,092,921	24,000
Federal sources:				
Other federal support	210,811	180,000	182,979	2,979
Total Federal sources	210,811	180,000	182,979	2,979
Other financing sources				
Sale of assets	-	38,000	42,785	4,785
Amounts available for appropriations	150,662,505	151,878,769	152,754,493	875,734
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	60,503,459	60,348,136	58,368,358	(1,979,778)
Special education programs	15,291,487	15,090,307	14,674,804	(415,503)
Vocational programs	1,826,730	1,411,876	1,422,393	10,717
Other instructional programs	4,449,480	4,333,658	4,617,952	284,294
Special programs	277,904	522,431	432,996	(89,435)
Adult/continuing education	25,619	30,413	35,890	5,477
Support services:				
Pupil support services	7,062,995	7,064,701	7,208,201	141,500
Instructional staff support services	5,963,831	7,325,298	7,313,807	(11,489)
General administration	1,340,905	1,317,799	1,369,360	51,561
School administration	10,508,830	10,812,987	10,717,818	(95,169)
Business services	1,911,648	1,882,776	1,898,078	15,303
Plant services	18,308,532	17,064,149	17,046,249	(17,900)
Student transportation services	7,414,373	8,192,002	8,644,963	452,961
Central services	2,688,097	2,908,736	2,805,815	(100,921)
Noninstructional services:				
Food service operations	752,676	807,882	750,353	(57,529)
Community service programs	23,581	27,096	27,366	270
Facility Acquisition & construction	2,900	44,232	51,374	7,142
Debt service:				
Interest and other charges	900	1,800	1,800	-
Other financing uses				
Transfers out	250,000	302,383	480,000	177,617
Total charges to appropriations	138,599,847	139,486,459	137,865,577	(1,620,882)
Budgetary fund balance at end of year	\$ 12,062,658	\$ 12,392,300	\$ 14,888,916	\$ 2,496,616

See accompanying notes to the budgetary comparison schedules.

**Quachita Parish School Board
Monroe, Louisiana**

**Special Revenue Fund -
District #1 Sales Tax
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary fund balance at beginning of year	<u>\$ 15,408,759</u>	<u>\$ 15,429,698</u>	<u>\$ 15,429,698</u>	<u>\$ -</u>
Resources (inflows)				
Local sources:				
Sales and use taxes	6,271,250	6,271,250	6,429,472	168,222
Earnings (losses) on investments	37,500	50,000	(12,210)	(62,210)
Other	-	337,159	348,407	11,248
Total local sources	<u>6,308,750</u>	<u>6,658,409</u>	<u>6,765,669</u>	<u>107,260</u>
Other financing sources				
Transfers in	<u>250,000</u>	<u>400,000</u>	<u>132,600</u>	<u>(267,400)</u>
Amounts available for appropriations	<u>21,967,509</u>	<u>22,488,107</u>	<u>22,327,967</u>	<u>(160,140)</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	1,380,790	1,444,279	1,388,873	(55,406)
Special education programs	376,713	488,807	452,939	(35,868)
Vocational programs	88,711	121,132	113,722	(7,410)
Other instructional programs	1,806,666	1,876,852	1,860,886	(215,966)
Special programs	7,575	32,301	32,464	163
Support services:				
Pupil support services	875,661	947,375	915,790	(31,585)
Instructional staff support services	516,899	541,317	502,894	(38,423)
General administration	619	44,018	45,062	1,044
School administration	140,427	305,826	221,314	(84,512)
Business services	20,292	19,538	19,486	(62)
Plant services	1,740,997	2,087,606	1,271,334	(816,272)
Student transportation services	1,940,562	1,430,505	934,508	(495,997)
Central services	14,987	17,234	16,820	(414)
Noninstructional services:				
Food service operations	136,927	146,257	145,730	(527)
Facility acquisition and construction	900,000	206,907	128,698	(78,209)
Total charges to appropriations	<u>9,747,826</u>	<u>9,709,954</u>	<u>7,850,520</u>	<u>(1,859,434)</u>
Budgetary fund balance at end of year	<u>\$ 12,219,683</u>	<u>\$ 12,778,153</u>	<u>\$ 14,477,447</u>	<u>\$ 1,699,294</u>

See accompanying notes to the budgetary comparison schedules.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedules
Fiscal Year Ended June 30, 2012**

Budget and Budgetary Accounting

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In September, the Director of Business submits to the School Board proposed annual appropriated budgets for the General Fund and Special Revenue Funds for the fiscal year commencing the prior July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board 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. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.

The General Fund budget is adopted on a basis consistent with GAAP. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year, whereas, encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.

The Special Revenue Funds' budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. All budgets are operational at the departmental or project level. The Superintendent and Director of Business of the School Board are authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year were insignificant to the budgets as originally approved.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012



**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2012

The School Board's Other Post-Employment Benefits (OPEB) Plan is administered by the Office of Group Benefits (OGB) as an agent multiple-employer defined benefit OPEB plan. It provides health and life insurance coverage to eligible members. The following schedules present the actuarially determined funding progress and required contributions for the School Board's participation in the OGB OPEB Plan using the projected unit credit cost method.

**Schedule of Employer Contributions
Other Post-Employment Benefit Plan – Health & Life Insurance**

Year Ended June 30	Annual OPEB Cost	Contributions Made	Percentage Contributed	Net OPEB Obligation
2008	\$25,522,412	\$5,216,924	20.40%	\$20,305,488
2009	\$25,522,412	\$5,230,663	20.50%	\$40,597,237
2010 (2)	\$10,661,929	\$5,476,989	51.37%	\$45,782,177
2011	\$11,016,839	\$5,764,382	52.30%	\$51,034,634
2012 (5)	\$9,648,088	\$6,295,554	65.25%	\$54,387,168

**Schedule of Funding Progress
Other Post-Employment Benefit Plan – Health & Life Insurance**

Year Ended June 30	(a) Actuarial Valuation Date	(b) Actuarial Liability (AAL)	(a-b) Value of Assets	(b/a) Unfunded AAL (UAAL)	(c) Funded Ratio	(c) Covered Payroll	(a-b)/(c) UAAAL as a Percentage of Covered Payroll
2008	7/01/2007	\$231,448,794	\$0	\$231,448,794	0%	\$112,573,045	205.60%
2009	7/01/2007	\$226,218,131	\$0	\$226,218,131	0%	\$117,354,515 (1)	192.76%
2010	7/01/2009	\$151,851,990 (2)	\$0	\$151,851,990	0%	\$116,424,720 (3)	130.43%
2011	7/01/2009	\$157,926,070	\$0	\$157,926,070	0%	\$117,265,436	134.67%
2012	7/01/2011	\$131,349,620 (5)	\$0	\$131,349,620	0%	\$116,041,953 (4)	113.19%

Notes:

- (1) The increase in covered payrolls in 2009 is due to implementing state mandated and locally funded pay increases for all salaried employees.
- (2) The School Board changed actuarial firms and obtained a new valuation resulted in a reduction of the Annual OPEB Cost and the AAL.
- (3) A decrease in covered payrolls is the result of a reduction in sales tax supplements paid to employees in November and June of this year. The decrease in salary supplement payments was due to a reduction in sales tax collections stemming from a decline in the local economy. Sales tax collections rebounded the following year.
- (4) A decrease in covered payrolls is the result of a partial hiring freeze put in place during the 2011-12 fiscal year
- (5) The decrease in Annual OPEB Cost and the AAL is due to the Office of Group Benefits implementing lower health insurance premium rate increases than the anticipated trend rates since the last actuarial valuation.

OTHER SUPPLEMENTAL INFORMATION

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA

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

Ouachita Parish School Board
Monroe, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Ouachita Parish School Board (the School Board) as of and for the year ended June 30, 2012, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 20, 2012. 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

Internal Control over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Ouachita Parish School Board
Monroe, Louisiana**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of 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*.

We noted certain other matters that we reported to management of the School Board in a separate letter dated December 20, 2012.

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



(A Professional Accounting Corporation)

December 20, 2012

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Ouachita Parish School Board
Monroe, Louisiana

Compliance

We have audited the **Ouachita 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 major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the 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, 2012.

**Ouachita Parish School Board
Monroe, Louisiana**

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

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



(A Professional Accounting Corporation)

December 20, 2012

OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Fund Number	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C F D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
CASH FEDERAL AWARDS					
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Louisiana Department of Education:					
300	School Breakfast Program	10 553A	Not Available	LEA No 037	\$ 1,650,308
300	National School Lunch Program	10 555A	Not Available	LEA No 037	4,397,015
301	Summer Food Service Program for Children	10 559A	Not Available	LEA No 037	159,653
302	Fresh Fruit and Vegetable Program	10 582B	Not Available	LEA No 037	<u>484,736</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>6,691,712</u>
U.S. DEPARTMENT OF DEFENSE					
Direct Programs:					
100	Air Force Junior Reserve Officer Training Corps	Not Available	LA050061	N/A	52,728
100	Army Junior Reserve Officer Training Corps	Not Available	LA331676	N/A	55,232
100	Naval Junior Reserve Officer Training Corps	Not Available	N4982310M/RTC	N/A	0
100	Naval Junior Reserve Officer Training Corps	Not Available	N9637710M/RTC	N/A	<u>75,020</u>
TOTAL U.S. DEPARTMENT OF DEFENSE					<u>182,980</u>
U.S. DEPARTMENT OF JUSTICE					
Passed through Ouachita Parish Sheriff's Office:					
584	Public Safety Partnership and Community Policing Grants Methamphetamine Initiative	16 710B	2007CKWX0284	None	<u>60,212</u>
TOTAL U.S. DEPARTMENT OF JUSTICE					<u>60,212</u>
U. S. DEPARTMENT OF NATIONAL AERONAUTICS & SPACE ADMINISTRATION - NASA					
Direct Programs:					
Passed through Lincoln Parish School System:					
595	NASA - Threads	43 008	80-0128-0-1-252	None	<u>4,394</u>
TOTAL U.S. DEPARTMENT OF NASA					<u>4,394</u>
U. S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Safe and Drug-Free Schools and Communities--National Programs:					
588	Readiness Emergency Management Systems (REMS)	84 184E	Q184E100082	None	116,725
Funds for Improvement of Education:					
648	Carol M. White - Ouachita Parish PEP	84.215F	Q215F110437	None	206,294
Funds for the Improvement of Education--Programs of National Significance					
664	Adult and Family Literacy Services	84.215K	U215K100003	None	22,357

OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Fund Number	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
U. S. DEPARTMENT OF EDUCATION (continued)					
Passed through Louisiana Department of Education:					
	Title I Grants to Local Educational Agencies	84 010A			
601	Title I Part A Basic (2010-11)		S010A100018	2811T1-37	1,492,073
601	Title I Part A Basic (2011-12)		S010A110018	2812T1-37	3,980,719
631	Title I School Improvement (2011-12)		S010A100018	2811TA-37	113,258
641	Title I School Improvement (2012-13)		S010A110018	2812TA-37	<u>13,712</u>
					5,599,762
	Migrant Education—State Grant Program	84 011A			
656	Migrant Education (2011-12)		S011A110018	2812M1-37	109,540
	Special Education—Grants to States:	84 027A			
530	IDEA Part B (2010-11) Reallocation		H027A100033	2811B1-37	422,838
530	IDEA Part B (2011-12)		H027A110033	2812B1-37	3,429,109
550	STEM Co-Teaching Teams		H027A100033	2811S2-37	<u>7,647</u>
					3,859,594
	Vocational Education—Basic Grants to States	84 048A			
510	Carl D Perkins Career & Technical 2010-11 Reallocation		V048A100018A	281102-37	12,839
510	Carl D Perkins Career & Technical Education (2010-11)		V048A110018A	281202-37	244,627
					<u>257,466</u>
	Special Education—Preschool Grants	84 173A			
532	Preschool (2010-11) Reallocation		H173A100082	2811P1-37	52,615
532	Preschool (2010-11)		H173A110082	2812P1-37	<u>19,245</u>
					71,860
	Safe and Drug-Free Schools and Communities—State Grants:	84 185A			
604	Title IV (2009-10) carryover		Q186A090019	281070-37	671
	Education for Homeless Children and Youth:	84 196A			
654	Homeless (2011-12)		S196A110019	2812H1-37	18,051
675	Homeless (2010-11) carryover		S196A090019	2810H1-37	17,760
674	Homeless (2010-11)		S196A100019	2811H1-37	<u>9,343</u>
					45,154
	Even Start—State Educational Agencies	84 213C			
650	Even Start (2010-11) carryover		S213C090019	2810F1-37	125,286
651	Even Start Leadership (2011-12)		S213C090019	2811F4-37	4,000
670	Even Start (2010-11)		S213C100019	2811F1-37	<u>31,028</u>
					160,314
646	Advanced Placement Test Fee Program	84.330B	S330B110032	281126-37	4,611
	English Language Acquisition Grants	84 365A			
603	Title III (2010-11) reallocation		S365A100018	281160-37	9,612
603	Title III (2011-12)		S365A110018	281260-37	<u>19,759</u>
					29,371
	Mathematics and Science Partnerships	84 366B			
632	Math and Science Partnerships (2011-12)		S366B100019	2811MP-37	230,177
612	Math and Science Partnerships (2010-11)		S366B090019	2810MP-37	<u>7,285</u>
					237,462

OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Fund Number	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
U S DEPARTMENT OF EDUCATION (continued)					
Passed through Louisiana Department of Education					
	Improving Teacher Quality State Grants	84 367A			
602	Title II Part A (2010-11) reallocation		S367A100017	281150-37	213,073
602	Title II Part A (2011-12)		S367A110017	281250-37	723,850
					<u>936,923</u>
611	Title I Grants to Local Education Agencies - Recovery Act	84 389A	S389A090018A	2809A1-37	212,238
531	Special Education - Grants to States - Recovery Act	84.391A	H391A090033A	2809AJ-37	14,576
320	Education Jobs Fund (2011-2012)	84 410A	S410A100019	2811EK-37	2,780,176
	Education Jobs Fund Supplemental (2011-2012)		S410A100019	2811EI-37	75,614
					<u>2,855,790</u>
Passed through Louisiana Community Technical College System:					
	Adult Education-State Grant Program	84 002A			
540	Adult Education - Federal Funds (2010-11)		V002A100018	482110	34,108
560	Adult Education - Federal Funds (2011-12)		V002A100018	211102	605,987
542	Adult Education - Federal Supplemental (2010-11)		V002A100018	482130	10,982
562	Adult Education - Federal Supplemental (2011-12)		V002A100018	211202	60,000
544	Adult Education - Family Literacy (2010-11)		V002A100018	482120	671
568	Adult Education - Family Literacy (2011-12)		V002A100018	211152	21,536
526	Adult Education - One Stop Centers (2011-12)		V002A100018	211302	4,112
557	Adult Education - EL/Civics Education (2010-11)		V002A100018	482140	5,718
524	Adult Education - EL/Civics Education (2011-12)		V002A100018	211252	21,267
567	Adult Education - ABB Pilot (2011-12)		V002A100018	n/a	94,200
					<u>858,581</u>
566	Passed through University of Louisiana at Monroe. Migrant Education - High School Equivalency Program	84 141A	S141A10040	PO0005207	323,920
647	Passed through Louisiana Endowment for the Humanities. Funds for the Improvement of Education-American History and Civics Education Act North Louisiana Exploring the American Experience	84.215X	U215X090098	None	10,513
TOTAL U.S. DEPARTMENT OF EDUCATION					<u>15,933,722</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Louisiana Department of Education					
	Temporary Assistance for Needy Families.	93 558B			
513	Jobs for America's Graduates - TANF (1) Employ (2011-12)		G1102LATANF	2812JS-37	50,000
570	The Cecil J Picard LA-4 Pre-Kindergarten Programs		G61102LATANF	281236-37	1,445,672
					<u>1,495,672</u>
Passed through LCTCS:					
	Temporary Assistance for Needy Families	93 558B			
543	Strategies to Empower People - STEP Program (2010-11)		G1102LATANF	210652	45,819
593	Passed through Louisiana School Board Association. Schools Putting Prevention to Work - Recovery Act	93 724	3U58DP001970-0182	688976	13,382
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>1,555,873</u>
TOTAL EXPENDITURES OF CASH FEDERAL AWARDS					<u>\$ 24,428,893</u>

OUACHITA PARISH SCHOOL BOARD
 MONROE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Fund Number	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
NONCASH FEDERAL AWARDS					
UNITED STATES DEPARTMENT OF AGRICULTURE					
	Passed Through Louisiana Department of Agriculture:				
300	Food Donaton (Commodities)	10 555	SCH075	LEA No 037	\$ <u>447,921</u>
	TOTAL EXPENDITURES OF NONCASH FEDERAL AWARDS				<u>447,921</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 24,876,814</u>

OUACHITA PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2012 and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to pay current period liabilities and expenditures when the related liability is incurred.

Note 2 - Relationship of the Schedule of Expenditures of Federal Awards to the Financial Statements

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2012:

	<u>Federal Programs</u>	<u>Other Federal Support</u>	<u>Total</u>
Revenues.			
General Fund	\$ 182,979	\$ -	\$ 182,979
State Fiscal Stabilization Funds-Stimulus	2,855,790	-	2,855,790
School Food Services	6,691,712	447,921	7,139,633
Title I	6,081,855	-	6,081,855
IDEA B	3,946,030	-	3,946,030
Other Federal	4,670,526	-	4,670,526
Total Governmental Funds Revenues	<u>\$ 24,428,892</u>	<u>\$ 447,921</u>	<u>\$ 24,876,813</u>

OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditor’s Results

Financial Statements

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting

Material Weakness(es) identified? ___ Yes X No

Significant Deficiency(s) identified not considered to be material weaknesses? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal Control Over Major Programs

Material weakness(es) identified? ___ Yes X No

Significant Deficiency(s) identified not considered to be material weakness(es)? ___ Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? ___ Yes X No

Dollar threshold used to distinguish between Type A and Type B programs
\$746,304

Auditee qualified as low-risk auditee? ___ Yes X No

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Identification of Major Programs

<u>CFDA#</u>	<u>PROGRAM TITLE</u>
10.553A	School Breakfast Program
10.555A	National School Lunch Program
10.559A	Summer Food Service Program for Children
10.582B	Frest Fruit and Vegetable Program
84.002A	Adult Education - State Grant Program
84.027A	Vocational Education-Basic Grants to States
84.173A	Special Education-Preschool Grants
84.391A	ARRA-Special Education-Grants to States
93 558B	Temporary Assistance to Needy Families

Section II – Financial Statement Findings and Questioned Costs

None

Section III: Findings and questioned costs for Federal Awards, including those specified by OMB Circular A-133.

None

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the prior year findings included in Luffey Huffman, Ragsdale & Soignier (APAC) audit report dated December 30, 2011, in connection with the audit of the financial statements of the Ouachita Parish School Board (the School Board) as of and for the year ended June 30, 2011.

11-01 Bank Reconciliations

(First reported in 2009)

Finding

The bank reconciliation for the master bank accounts was not finalized until early December 2011. Additionally, since 2009, there have been unreconciled differences in the bank reconciliation of \$13,913 at June 30, 2009, \$23,348 at June 30, 2010 and \$16,833 at June 30, 2011. These bank accounts (there are three bank accounts at two banks that make up the master bank accounts) handle all accounts payable and payroll activities, as well as significant revenue transactions. The bank statements not being reconciled soon after month end could cause material misstatements in the general ledger and ultimately the financial statements.

Status

Management has established and communicated a firm deadline to the accounting staff for bank reconciliations to be completed by the close of the month following the month of reconciliation, and that a full reconciliation is expected. A more thorough investigation of all unreconciled balances has been performed and adjustments made to correct these amounts. Management has enforced the timely reconciliation of all School Board bank accounts. Fully reconciled bank reconciliations are being submitted to the Business Manager for review and approval by subsequent month-end.

11-02 Internal Controls over Investments

(First reported in 2011)

Finding

During the course of our audit, we noted that the general ledger accountant has the authority to initiate all investment transactions as well as has access to accounting and record keeping responsibilities for the investments and cash accounts.

The School Board's investment policy states that, "the Business Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and his designees "

Status

The Business Manager has been set up with the School Board's fiscal agent bank to receive electronic notifications for all outgoing wire transfers from School Board bank accounts and with investment firms to receive electronic notifications for all outgoing wire transfers from School Board investment accounts in their custody. Further, the general ledger accountant, also designated as the investment manager, has been providing documentation of all transfers to the

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

Business Manager for signed approval either prior to or within 24 hours of when fund transfers are made. In instances where the electronic notifications described above are not available to the School Board, the general ledger accountant has obtained approval from the Business Manager prior to initiating the transfer of funds.

As an additional internal control, the general ledger accountant is preparing and maintaining on a monthly basis a schedule of all investments of the School Board for all funds as of the end of each month. The information presented in the investment schedule has been determined by the Business Manager. The investment schedule is being submitted to the Business Manager for review and approval no later than 45 days following the month-end date of the report.

Management Letter

Documentation of Internal Control

(First reported in 2007)

Finding

The School Board did not have adequate documentation of internal control over financial reporting using the Committee of Sponsoring Organizations (COSO) framework so that the School Board could more easily discharge its responsibility to design and implement controls and monitor those controls for effectiveness over time.

Status

The School Board engaged a CPA to assist in documenting and compiling accounting and internal control procedures into a written document. The preliminary document has been prepared by the CPA and received by Management for review. Management is currently reviewing these procedures and will work with the CPA in making additional changes, updates or amendments to the document prior to submitting the document for final approval by the School Board.

**Ouachita Parish School Board
Monroe, Louisiana**

**Miscellaneous Statistical Data
School Board Members' Compensation**

June 30, 2012

The schedule of compensation paid to School Board members was prepared in compliance with House Concurrent Resolution No 54 of the 1979 session of the Louisiana Legislature.

The compensation of the School Board members is included in the general administration expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, the members of the School Board received \$800 per month. Additionally, the president received \$100 per month for exercising the duties of his office.

<u>Board Member</u>	<u>District</u>	<u>Amount</u>
Judge William Norris	A	\$ 9,600
Mr. Scott Robinson	B	9,600
Mr. A. R. "Red" Sims	C	9,600
Mr. Jerry R. Hicks, President	D	10,800
Rev. John R Russell	E	9,600
Mr. Carey Walker	F	9,600
Ms Susan Spence	G	<u>9,600</u>
 Total		 <u>\$ 68,400</u>

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1983-2002)
Francis I. Huffman, CPA
Phillip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA

MANAGEMENT LETTER

Ouachita Parish School Board Monroe, Louisiana

In planning and performing our audit of the financial statements of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2012, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for *strengthening internal controls and the overall environment for compliance with laws and regulations*. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 20, 2012 on the financial statements of the School Board.

Documentation of Internal Control

Finding:

Management of the School Board is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring.

While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the School Board does not possess the written documentation of all components of internal control over School Board operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

**Ouachita Parish School Board
Monroe, Louisiana
Management Letter
Page 2 of 3**

Recommendation:

We recommend that management of the School Board finalize the internal control document over financial reporting using the COSO framework whereby they define each of the five elements in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. As part of this review and documentation, the School Board should utilize the *Checklist of Best Practices in Government* prepared by the Louisiana Legislative Auditor's office

Management's Corrective Action Plan:

The School Board has engaged a CPA to assist in documenting internal control procedures over the accounting and financial reporting process and compile these procedures into a more formal written document. The preliminary document has been prepared by the CPA and received by Management for review. Management is currently reviewing these procedures for accuracy and completeness and to identify modifications needed to control any weaknesses noted. When evaluating the established controls, we will take into consideration the COSO framework and the *Checklist of Best Practices in Government* prepared by the Louisiana Legislative Auditor's office. Management will continue to work under the consultation of the CPA to finalize these internal control procedures prior to submitting the document for approval by the School Board.

Internal Audit Findings and Missing Funds

Finding:

The School Board conducted an internal audit at Swayze Elementary School for the six months ended December 31, 2011 as a follow-up to a previous audit for the year ended June 30, 2010 which reflected 24 findings involving improper and/or inadequate accounting controls and procedures. The result of the current year analysis revealed that 16 of the previously cited 24 findings had not been resolved and an additional 7 new findings were cited. As part of the 23 findings, approximately \$480 in cash was missing from the time it was receipted by the bookkeeper and when deposits were made at the bank. It also appears that \$1,302 was logged on teacher receipt rosters which was not accounted for in the office receipt books and subsequently not deposited at the bank.

Recommendation:

We recommend that the School Board continue to monitor the school activity accounts on an ongoing basis. The school activity accounts accounted for approximately \$11,300,000 in receipts and disbursements in the current year and had an ending balance at June 30, 2012 of approximately \$3,800,000. These accounts, which are spread out at the 35 schools, have a

**Onachita Parish School Board
Monroe, Louisiana
Management Letter
Page 3 of 3**

significant amount of cash activity which lends itself to the close scrutiny that the School Board is already providing

Management's Corrective Action Plan:

The School Board has already taken appropriate action in dealing with the personnel involved who are no longer employed at Swayze Elementary. The issue was reported to the local district attorney and to the Office of the Legislative Auditor as required. The Internal Audit Staff have been training and working individually with the new staff assigned with bookkeeping and oversight and management of funds at Swayze Elementary to ensure that all required procedures are in place and are being followed at all levels to ensure an adequate internal control system is in place. We believe the staff of the Internal Audit department has been vigilant in overseeing the school activity accounts in the past and commend them for the work they continue to do.

Huffman, Huffron, Reynolds, & Siggins

(A Professional Accounting Corporation)

December 20, 2012

**Ouachita Parish School Board
Monroe, Louisiana**

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

For The Year Ended June 30, 2012

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

AGREED-UPON PROCEDURES

JUNE 30, 2012

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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Lori Woodard, MBA, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2012

OUACHITA PARISH SCHOOL BOARD MONROE, LOUISIANA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Ouachita Parish School Board (the 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 the 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 (BESE). Management of the School Board is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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.

**Ouachita Parish School Board
Monroe, Louisiana**

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, 2011
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.
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 determined if the individual's education level was properly classified on the schedule.

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.

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, 2011 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.

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

**Ouachita Parish School Board
Monroe, Louisiana**

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.

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 the School Board.

Graduation Exit Examination (Schedule 8)

11. 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 the School Board.

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 the School Board.

Our twelve procedures enumerated above did not disclose any exceptions.

We were not engaged to perform, and did not perform, an audit, 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 the 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.

Huffman, Huffman, Regalado, & Squires

(A Professional Accounting Corporation)

December 20, 2012

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Schedules Required by State Law
Fiscal Year Ended June 30, 2012

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers, principals, and assistant principals with less than a Bachelor's; Bachelor's, Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle, secondary, and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the AFSR.

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

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana**

**Schedules Required by State Law
Fiscal Year Ended June 30, 2012**

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Exam (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for this district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

As of fiscal year 2011, 9th graders are not required to take iLeap. These students must now pass 3 end-of-course tests. The Department of Education will be reviewing end-of-course testing and its potential inclusion for assurance purposes in time for fiscal year 2013 assurance submissions.

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2012**

General Fund Instructional and Equipment Expenditures**General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 48,954,746	
Other Instructional Staff Activities	4,199,121	
Instructional Staff Employee Benefits	24,057,284	
Purchased Professional and Technical Services	37,140	
Instructional Materials and Supplies	2,046,384	
Instructional Equipment	23,481	
Total Teacher and Student Interaction Activities		\$ 79,318,156

Other Instructional Activities

	198,347
--	---------

Pupil Support Activities

	7,206,201
--	-----------

Less: Equipment for Pupil Support Activities

	-
--	---

Net Pupil Support Activities

	7,206,201
--	-----------

Instructional Staff Services

	7,313,807
--	-----------

Less: Equipment for Instructional Staff Services

	-
--	---

Net Instructional Staff Services

	7,313,807
--	-----------

School Administration:

	10,717,818
--	------------

Less: Equipment for Instructional Staff Services

	-
--	---

Net School Administration

	10,717,818
--	------------

Total General Fund Instructional Expenditures

	\$ 104,754,329
--	----------------

Total General Fund Equipment Expenditures

	\$ 465,195
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Certain Local Revenue Sources**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 2,808,059
Renewable Ad Valorem Tax	13,372,537
Debt Service Ad Valorem Tax	6,195,095
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	542,707
Sales and Use Taxes	39,402,765
Total Local Taxation Revenue	\$ 62,321,163

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	50,651
Total Local Earnings on Investment in Real Property	\$ 50,651

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 189,019
Revenue Sharing - Other Taxes	634,199
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 823,218

Nonpublic Textbook Revenue

	\$ 65,403
--	-----------

Nonpublic Transportation Revenue

	\$ -
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OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Education Levels of Public School Staff
As of October 1, 2011

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	3	0.2%	-	0.0%	-	0.0%	-	-
Bachelor's Degree	721	54.6%	8	0.6%	-	0.0%	-	-
Master's Degree	368	27.9%	1	0.1%	19	23.2%	-	-
Master's Degree + 30	203	15.4%	1	0.1%	57	69.5%	-	-
Specialist in Education	8	0.6%	-	0.0%	1	1.2%	-	-
Ph. D. or Ed. D.	7	0.5%	-	0.0%	5	6.1%	-	-
Total	1,310	99.2%	10	0.8%	82	100.0%	-	-

Schedule 3

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Number and Type of Public Schools
Fiscal Year Ended June 30, 2012

<u>Type</u>	<u>Number</u>
Elementary	22
Middle/Jr. High	8
Secondary	5
Combination	1
Total	36

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers
As of October 1, 2011

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	3	3	7	9	25	47
Principals	-	-	-	1	6	8	20	35
Classroom Teachers	97	104	390	147	189	147	246	1,320
Total	97	104	393	151	202	164	291	1,402

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Public School Staff Data: Average Salaries
Fiscal Year Ended June 30, 2012

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$48,749	\$48,512
Average Classroom Teachers' Salary Excluding Extra Compensation	\$47,791	\$47,542
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	1,307	1,284

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Class Size Characteristics
As of October 1, 2011

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	45.58%	1,729	50.15%	1,902	4.27%	162	0.00%	-
Elementary Activity Classes	31.39%	232	60.89%	450	7.71%	57	0.00%	-
Middle/Jr. High	52.99%	868	32.05%	525	14.59%	239	0.37%	6
Middle/Jr. High Activity Classes	79.04%	377	11.53%	55	7.55%	36	1.89%	9
High	58.12%	1,496	21.41%	551	16.86%	434	3.61%	93
High Activity Classes	87.71%	464	4.35%	23	3.59%	19	4.35%	23
Combination	91.45%	139	7.89%	12	0.66%	1	0.00%	-
Combination Activity Classes	100.00%	14	0.00%	-	0.00%	-	0.00%	-
Total		5,319		3,518		948		131

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Louisiana Educational Assessment Program (LEAP)
Three Fiscal Years Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	128	9	136	9	114	8	171	11	132	9	109	7
Mastery	469	31	421	29	333	22	396	27	384	27	386	26
Basic	672	45	643	44	712	48	652	44	675	47	676	46
Approaching Basic	167	11	206	14	209	14	195	13	174	12	203	14
Unsatisfactory	56	4	43	3	113	8	78	5	84	6	107	7
Total	1,492		1,449		1,481		1,492		1,449		1,481	

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	174	12	66	5	66	4	68	5	94	6	59	4
Mastery	396	27	333	23	304	21	363	24	349	24	320	22
Basic	606	41	709	49	739	50	774	52	790	55	827	56
Approaching Basic	257	17	290	20	290	20	187	13	151	10	174	12
Unsatisfactory	54	4	50	3	83	5	95	6	64	4	102	7
Total	1,487		1,448		1,482		1,487		1,448		1,482	

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	97	7	95	7	59	4	85	6	56	4	76	6
Mastery	340	24	339	25	277	21	98	7	77	6	86	6
Basic	651	45	604	44	620	46	836	58	833	61	785	58
Approaching Basic	307	21	297	22	319	24	319	22	294	21	275	20
Unsatisfactory	37	3	40	3	68	5	94	7	115	8	122	9
Total	1,432		1,375		1,343		1,432		1,375		1,344	

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	94	7	31	2	41	3	51	4	45	3	32	2
Mastery	378	27	332	24	273	20	313	22	244	18	218	16
Basic	533	37	557	41	594	44	705	50	672	49	698	52
Approaching Basic	350	25	330	24	319	24	254	18	316	23	246	18
Unsatisfactory	69	5	124	9	113	8	101	7	96	7	144	11
Total	1,424		1,374		1,340		1,424		1,373		1,338	

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Graduation Exit Exam
Three Fiscal Years Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 10												
Advanced			21	2	16	1			196	17	132	12
Mastery			173	15	181	16			222	19	249	22
Basic			625	54	591	52			484	42	483	43
Approaching Basic			254	22	252	22			148	13	147	14
Unsatisfactory			82	7	89	8			105	9	120	11
Total	-		1,155		1,129		-		1,155		1,131	

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 11												
Advanced	95	9	50	5	51	5	22	2	9	1	7	1
Mastery	249	23	235	22	198	18	141	13	98	9	125	12
Basic	419	39	442	42	484	45	616	57	601	57	636	59
Approaching Basic	211	19	212	20	264	24	206	19	225	21	224	21
Unsatisfactory	113	10	124	12	82	8	103	9	130	12	87	8
Total	1,087		1,063		1,079		1,088		1,063		1,079	

OUACHITA PARISH SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2012

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	83	5	105	7	77	5	53	3
Mastery	397	26	388	25	287	19	305	20
Basic	665	44	649	43	713	47	754	50
Approaching Basic	244	16	244	16	348	23	265	17
Unsatisfactory	134	9	137	9	98	6	146	10
Total	1523		1523		1523		1523	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	70	5	115	8	67	5	119	8
Mastery	362	26	241	17	320	23	207	15
Basic	645	46	723	51	628	44	685	48
Approaching Basic	263	19	198	14	326	23	261	18
Unsatisfactory	75	5	138	10	74	5	142	10
Total	1415		1415		1415		1414	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	82	6	78	6	62	4	120	9
Mastery	377	27	232	17	288	21	196	14
Basic	670	48	822	59	644	46	645	46
Approaching Basic	196	14	161	12	307	22	297	21
Unsatisfactory	64	5	97	7	88	6	131	9
Total	1389		1390		1389		1389	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	115	8	92	6	68	5	38	3
Mastery	272	19	214	15	331	23	266	19
Basic	699	49	801	56	608	43	772	54
Approaching Basic	279	20	209	15	312	22	199	14
Unsatisfactory	59	4	107	8	104	7	148	10
Total	1424		1423		1423		1423	

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
	Number	Percent	Number	Percent
Grade 9				
Advanced	40	3	151	12
Mastery	231	18	177	14
Basic	706	56	664	53
Approaching Basic	248	20	153	12
Unsatisfactory	28	2	108	9
Total	1253		1253	

Continued

OUACHITA PARISH SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2012

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	109	7	141	9	93	6	59	4
Mastery	413	27	297	19	343	22	293	19
Basic	697	45	733	47	669	43	778	50
Approaching Basic	218	14	231	15	328	21	266	17
Unsatisfactory	112	7	147	9	116	7	153	10
Total	1549		1549		1549		1549	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	102	7	152	11	97	7	87	6
Mastery	369	27	245	18	307	22	296	21
Basic	664	48	670	48	619	45	681	49
Approaching Basic	178	13	174	13	290	21	189	14
Unsatisfactory	72	5	144	10	72	5	132	10
Total	1385		1385		1385		1385	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	71	5	144	10	88	6	149	10
Mastery	343	24	191	13	275	19	210	14
Basic	751	52	791	55	738	51	687	47
Approaching Basic	228	16	200	14	288	20	272	19
Unsatisfactory	57	4	125	9	61	4	132	9
Total	1450		1451		1450		1450	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	103	7	106	7	49	3	57	4
Mastery	346	24	173	12	281	20	227	16
Basic	698	49	813	57	699	49	714	50
Approaching Basic	243	17	253	18	307	21	272	19
Unsatisfactory	46	3	92	6	99	7	166	12
Total	1436		1437		1435		1436	

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	0		0	

Continued

OUACHITA PARISH SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2012

iLEAP Tests

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	74	5	177	12	84	6	5	0
Mastery	411	29	360	25	383	27	349	25
Basic	615	43	590	41	597	42	676	47
Approaching Basic	202	14	188	13	269	19	257	18
Unsatisfactory	122	9	109	8	91	6	137	10
Total	1424		1424		1424		1424	

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	78	6	137	10	73	5	98	7
Mastery	381	27	220	16	355	25	299	21
Basic	679	49	745	53	627	45	666	48
Approaching Basic	197	14	184	13	265	19	229	16
Unsatisfactory	62	4	111	8	77	6	105	8
Total	1397		1397		1397		1397	

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	86	6	133	9	95	7	143	10
Mastery	341	24	250	17	350	24	213	15
Basic	718	50	753	52	645	45	682	47
Approaching Basic	234	16	181	13	270	19	260	18
Unsatisfactory	62	4	123	9	80	6	142	10
Total	1441		1440		1440		1440	

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	120	8	123	8	84	6	74	5
Mastery	322	22	236	16	398	27	289	20
Basic	723	49	737	50	582	39	695	47
Approaching Basic	254	17	259	18	325	22	271	18
Unsatisfactory	59	4	123	8	86	6	146	10
Total	1478		1478		1475		1475	

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

Concluded