

**RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

**Financial Report
As of and for the Year Ended June 30, 2019**



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Red River Parish School Board
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June 30, 2019

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Independent Auditors' Report

Board Members
Red River Parish School Board
Coushatta, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Red River Parish School Board (the School Board) as of and for the year ended June 30, 2019, and related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our audit opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Red River Parish School Board, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, schedule of compensation, benefits and other payments to agency head, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of compensation paid to board members, schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements, schedule of compensation paid to board members, schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards, are fairly stated, in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Shreveport, Louisiana

December 19, 2019

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019

We offer readers of the Red River Parish School Board's (the "School Board") financial statements this narrative overview and analysis of the financial activities of the Red River Parish School Board for the fiscal year ended June 30, 2019. It is designed to assist the reader in focusing on significant financial issues and identifying changes in the School Board's financial position.

Financial Highlights

Government-wide financial highlights for the 2018-19 fiscal year include the following:

- Statement of Net Position – The liabilities of the School Board exceeded its assets at the close of the most recent fiscal year by \$1.2 million (net deficit).
- Capital Assets – Total capital assets (net of depreciation) were \$15.1 million or 24% of the total assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Obligations – The School Board's total obligations increased by approximately \$2.7 million.
- Statement of Activities – The total net deficit of the Red River Parish School Board decreased by approximately \$3.0 million for the year ended June 30, 2019.

The School Board ended the 2018-2019 fiscal year with a fund balance in the General Fund of approximately \$17.4 million.

- Governmental Funds Balance Sheet – As of the close of the 2018-2019 fiscal year, the Red River Parish School Board's governmental funds reported combined ending fund balance of \$46.2 million, a decrease of approximately \$2.2 million in comparison with the prior fiscal year. This fund balance is comprised of approximately (1) \$17.4 million in General Fund, (2) \$8.3 million in the Employee Salaries and Benefits fund, (3) \$18.4 million in the capital projects fund, (4) \$1 million in Debt Service fund, and (5) \$1.1 million in nonmajor special revenue funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2019 for the governmental funds of the Red River Parish School Board amounted to \$27.1 million. Approximately 82% of this amount is received from three major revenue sources: (1) \$5.2 million from Minimum Foundation Program, (2) \$10 million from local ad valorem taxes, and (3) \$7 million from local sales and use taxes.

Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. The Red River Parish 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 Red River Parish School Board's finances, in a manner similar to a private-sector business.

- The Statement of Net Position presents information on all of the School Board's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Red River Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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).

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 Red River Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Red River Parish School Board can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds.* 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 Red River Parish School Board near-term financing requirements.

Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019

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 Red River Parish School Board's near-term financing decision. 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 Red River Parish School Board maintains twenty-five governmental 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 the General Fund, Employee Salaries and Benefits Special Revenue Fund, Capital Projects Fund, and Debt Service Fund, all of which are considered to be major funds. Data for the other twenty-one governmental fund groups are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Red River Parish School Board adopts an annual appropriated budget for its General Fund and all Special Revenue Funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Red River 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 Red River Parish School Board's own programs. The School Board maintains one fiduciary fund named the School Activity Fund.

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

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 non-major governmental funds are presented immediately following the required supplementary information.

**Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

Financial Analysis of Government-wide Activities

The largest portion of the Red River Parish School Board's total assets, totaling approximately \$46 million, reflects its cash and investment balances. The capital assets, net of depreciation, is the next largest asset grouping totaling \$15.2 million. The investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding, of \$12.9 million. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the Red River Parish School Board's investment in its capital assets net position 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 following analysis focuses on the net position of the School Board's governmental-wide activities:

<i>June 30,</i>	2019	2018	Dollar Change	Percentage Change
Current and other assets	\$ 48,072,334	\$ 51,325,682	\$ (3,253,348)	-6.3%
Capital assets, net	15,245,570	11,068,781	4,176,789	37.7%
Total assets	63,317,904	62,394,463	923,441	1.5%
Deferred outflows of resources	11,082,674	5,012,818	6,069,856	121.1%
Current and other liabilities	2,342,391	3,133,755	(791,364)	-25.3%
Long-term liabilities	67,981,087	65,283,961	2,697,126	4.1%
Total liabilities	70,323,478	68,417,716	1,905,762	2.8%
Deferred inflows of resources	5,296,509	3,234,902	2,061,607	63.7%
Net position				
Net invested in capital assets	12,853,250	10,173,211	2,680,039	26.3%
Restricted	28,646,873	9,371,110	19,275,763	205.7%
Unrestricted	(42,719,532)	(23,789,658)	(18,929,874)	79.6%
Total net position (deficit)	\$ (1,219,409)	\$ (4,245,337)	\$ 3,025,928	71.3%

Restricted net position of \$28.8 million is reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and future construction projects and to limit the School Board from using these funds for day-to-day operations. The Capital Projects Fund accounts for \$18.4 million of the total, with Employee Salaries and Benefits fund accounting for \$8.3 million. The remaining balance is monies restricted for debt service, and instructional and maintenance costs.

Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019

The following analysis focuses on the change in net position of the School Board's governmental activities:

<i>For the years ended June 30,</i>	2019	2018	Dollar Change	Percentage Change
Revenues				
Program revenues				
Charges for services	\$ 13,290	\$ -	\$ 13,290	100%
Operating and capital grants and contributions	3,500,782	3,334,820	165,962	5.0%
General revenues				
Ad valorem taxes	12,183,435	10,564,713	1,618,722	15.3%
Sales taxes	4,808,006	4,645,708	162,298	3.5%
Minimum foundation program	5,257,673	5,063,846	193,827	3.8%
Interest on investments	1,195,243	307,432	887,811	288.8%
Other general revenues	241,905	200,916	40,989	20.4%
Total revenues	27,200,334	24,117,435	3,082,899	12.8%
Expenses				
Instruction	11,953,911	11,808,748	145,163	1.2%
Support services				
Pupil support services	1,550,939	1,479,668	71,271	4.8%
Instructional staff support	1,406,114	1,206,600	199,514	16.5%
General administration	1,147,271	1,088,802	58,469	5.4%
School administration	1,737,034	1,700,319	36,715	2.2%
Business services	388,956	390,642	(1,686)	-0.4%
Plant services	2,232,330	2,169,814	62,516	2.9%
Student transportation services	1,397,816	1,328,719	69,097	5.2%
Central services	89,421	118,085	(28,664)	-24.3%
School food services	1,413,205	1,322,077	91,128	6.9%
Facility acquisition and construction	8,780	341,415	(332,635)	-97.4%
Debt service - interest on long-term obligations	848,632	497,202	351,430	70.7%
Total expenses	24,174,409	23,452,091	722,318	3.1%
Increase in net position (deficit)	\$ 3,025,925	\$ 665,344	\$ 2,360,581	354.8%

Governmental Activities

Expenses are classified by functions/programs. Instructional services for fiscal year 2019 totaled \$11,953,911, compared to a total of \$11,808,748 for 2018. The remaining functions are considered support services and relate to those functions that support the instructional services provided, such as pupil support, instructional staff support, administration, transportation, and plant services. Support services for fiscal 2019 totaled \$9,949,881 compared to \$9,482,649 for 2018.

Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019

The remaining expenditures of \$2,270,617 consist of \$8,780 for facility acquisition and construction, \$1,413,205 for food and service operations and \$848,632 for interest expense on long-term obligations.

The related program revenues for fiscal year 2019 directly related to these expenses totaled \$3,514,072, including \$13,290 in charges for such services. The balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- **Minimum Foundation Program (MFP)** – MFP is the funding formula for the 69 school districts in the state of Louisiana. The School Board was allocated \$5,257,673 in MFP funds in FY19.
- **Sales Tax revenues** – Sales tax revenues are the second largest source of revenue for the School Board, generating \$4,808,006 in revenue, or 17.7% of total revenue.
- **Ad Valorem tax revenues** – Ad valorem, or property tax revenues, the third largest source of revenues, accounts for \$12,183,435 in revenue, or 44.8% of total revenues.

Financial Analysis of Governmental Funds

As noted earlier, the Red River Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Red River Parish School Board's government funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Red River Parish School Board's financing requirements. In particular, unreserved 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 Red River Parish School Board's governmental funds reported a combined ending fund balance of \$46,011,343; a decrease of \$2,391,292 in comparison with the prior fiscal year.
- The General Fund is the chief operating fund of the Red River Parish School Board. At the end of the current fiscal year, the fund balance of the General Fund is \$17,364,470.

**Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

- The Special Revenue Funds, including nonmajor special revenue funds, have a total fund balance of \$9,442,456 of which \$20,284 is nonspendable, \$8,330,606 is restricted for salaries and related benefits, \$13,949 is restricted for instructional costs and \$1,077,617 is restricted for food services.
- The Debt Service Funds have a total fund balance of \$990,764 all of which is restricted for the payment of debt service.
- The Capital Projects Funds have a fund balance of \$18,213,653 all of which is restricted for construction projects.

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the Red River Parish School Board must adopt a budget for the General Fund and all Special Revenue funds prior to September 15th. The original budget for the School Board was adopted on September 10, 2018.

The original General Fund Budget projected an ending fund balance of \$16.6 million, with the amended budget projecting to end the year with a positive balance of \$17 million. The actual ending balance for the General Fund came in at \$17.4 million.

Capital Assets and Debt Administration

Capital Assets: The Red River Parish School Board's investment in capital assets as of June 30, 2019, amounts to \$15,245,570 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

<i>June 30,</i>	2019		2018	
Land	\$	527,105	\$	437,105
Buildings and improvements		10,137,526		9,624,215
Furniture and equipment		503,002		459,311
Construction in progress		4,077,937		548,150
Total capital assets, net of depreciation	\$	15,245,570	\$	11,068,781

**Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

Long-Term Debt: At the end of the current fiscal year, the Red River Parish School Board had total debt outstanding of \$21.8 million. This amount comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2019 and 2018.

<i>June 30,</i>	2019		2018	
General Obligation Bonds				
Series 2018	\$	21,750,000	\$	22,100,000
Total outstanding debt	\$	21,750,000	\$	22,100,000

Debt Administration: As of June 30, 2019, the School Board had \$66.8 million in long-term debt outstanding, of which \$785,000 is due within one year. There was a net increase in the amount of long-term debt outstanding of \$1.5 million. The School Board's long-term debt increase is attributable to an increase in Other Post-Employment Benefits of \$1.2 million and an increase in Net Pension Liability of \$1.9 million, which was offset by a decrease in debt principal retirement, amortization of bond premium and compensated absences totaling \$1.6 million. The following schedule presents a summary of the outstanding long-term obligations for the fiscal year ended June 30, 2019:

Description	Amount	
General Obligation Bonds	\$	21,750,000
Unamortized Bond Premium		1,232,901
Compensated Absences		1,162,003
Other Post-Employment Benefits		17,266,153
Net Pension Liability		26,570,030
Total long-term debt	\$	67,981,087

Future Operations

The financial stability that is necessary to fund services provided by the School Board is achieved through federal, state, and local funding. In the General Fund, State revenues (primarily MFP) make up 34% of total projected 2020 proceeds. Local revenues (primarily sales and use and ad valorem taxes) represent approximately 53% of total projected proceeds.



**Red River Parish School Board
Management's Discussion and Analysis (Unaudited)
June 30, 2019**

The Red River Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

1. Minimum foundation program revenues
2. Taxes (ad valorem and sales)
3. Intergovernmental revenues (federal and state grants)

The School Board expects revenues to remain consistent in the coming year.

Contacting the School Board's Financial Management

If you have questions about this report or need additional financial information, contact David Jones, Business Manager, of the Red River Parish School Board, 1922 Alonzo Street, Coushatta, LA 71019, or call at (318) 932-4081.



BASIC FINANCIAL STATEMENTS



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

Red River Parish School Board
Statement of Net Position
June 30, 2019

	Primary Governmental Governmental Activities
Assets	
Cash and cash equivalents	\$ 26,247,292
Investments	20,368,133
Receivables	
Sales and use taxes	404,706
Federal grants	808,355
State grants	168,167
Other	55,397
Inventory	20,284
Capital assets, net	15,245,570
Total assets	63,317,904
Deferred outflows of resources	
Deferred outflows	11,082,674
Liabilities	
Accounts payable	1,031,261
Salaries and wages payable	1,029,730
Interest payable - bonds	281,400
Long-term liabilities	
Due within one year	785,000
Due in more than one year	67,196,087
Total liabilities	70,323,478
Deferred inflows of resources	
Deferred inflows	5,296,509
Net position	
Net investment in capital assets	12,853,250
Restricted for	
Instructional costs	13,949
Capital projects	18,213,653
Debt service	990,764
Salaries and related benefits	8,330,606
Food services	1,097,901
Unrestricted	(42,719,532)
Total net position (deficit)	\$ (1,219,409)

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

Red River Parish School Board
Statement of Activities
For the Year Ended June 30, 2019

Primary Government	EXPENSES	Primary Government PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Functions/programs				
Current				
Instructional services				
Regular programs	\$ 8,034,104	\$ -	\$ 703,799	\$ (7,330,305)
Special education programs	1,683,526	-	117,866	(1,565,660)
Vocational programs	793,363	-	26,580	(766,783)
Other instructional programs	499,379	-	71,466	(427,913)
Special programs	830,867	-	666,404	(164,463)
Adult/continuing education	112,672	-	19	(112,653)
Support services				
Pupil support services	1,550,939	-	228,472	(1,322,467)
Instructional staff support services	1,406,114	-	558,828	(847,286)
General administration	1,147,271	-	38	(1,147,233)
School administration	1,737,034	-	85,822	(1,651,212)
Business services	388,956	-	-	(388,956)
Plant services	2,232,330	-	3,586	(2,228,744)
Student transportation services	1,397,816	-	3,079	(1,394,737)
Central services	89,418	-	56	(89,362)
Noninstructional services				
Food service operations	1,413,205	13,290	1,034,767	(365,148)
Facility acquisition and construction	8,780	-	-	(8,780)
Debt service				
Interest on long-term obligations	848,632	-	-	(848,632)
Total Primary Government	\$ 24,174,406	\$ 13,290	\$ 3,500,782	\$ (20,660,334)
General revenues				
Taxes				
Ad valorem taxes levied for				
General purposes				9,963,661
Debt service purposes				2,219,774
Sales taxes levied for				
General purposes				2,404,003
Salaries and related benefits				2,404,003
Grants and contributions not restricted to specific programs				
Minimum foundation program				5,257,673
State revenue sharing				43,466
Interest and investment earnings				1,195,243
Gain on disposals of assets				9,654
Other				188,785
Total general revenues				23,686,262
Changes in net position				3,025,928
Net position (deficit) at beginning of year				(4,245,337)
Net position (deficit) at end of year				\$ (1,219,409)

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



FUND FINANCIAL STATEMENTS (FFS)

Red River Parish School Board
Governmental Funds – Balance Sheet
June 30, 2019

	MAJOR FUNDS				AGGREGATE REMAINING FUNDS	
	GENERAL FUND	EMPLOYEE SALARIES AND BENEFITS	CAPITAL PROJECTS	DEBT SERVICES	OTHER GOVERNMENTAL	TOTAL
Assets						
Cash and cash equivalents	\$ 16,315,793	\$ 8,119,338	\$ -	\$ 985,492	\$ 826,669	\$ 26,247,292
Investments	379,656	-	19,805,581	-	182,896	20,368,133
Accounts receivable	233,562	211,268	-	5,272	986,522	1,436,624
Due from other funds	1,575,139	-	-	-	-	1,575,139
Inventory	-	-	-	-	20,284	20,284
Total assets	18,504,150	8,330,606	19,805,581	990,764	2,016,371	49,647,472
Liabilities and fund balances						
Liabilities						
Accounts payable	1,139,680	-	908,530	-	12,780	2,060,990
Due to other funds	-	-	683,398	-	891,741	1,575,139
Total liabilities	1,139,680	-	1,591,928	-	904,521	3,636,129
Fund balances						
Nonspendable						
Inventory and other assets	-	-	-	-	20,284	20,284
Restricted for						
Salaries and related benefits	-	8,330,606	-	-	-	8,330,606
Instructional costs	-	-	-	-	13,949	13,949
Food services	-	-	-	-	1,077,617	1,077,617
Debt service	-	-	-	990,764	-	990,764
Capital projects	-	-	18,213,653	-	-	18,213,653
Unassigned	17,364,470	-	-	-	-	17,364,470
Total fund balances	17,364,470	8,330,606	18,213,653	990,764	1,111,850	46,011,343
Total liabilities and fund balances	\$ 18,504,150	\$ 8,330,606	\$ 19,805,581	\$ 990,764	\$ 2,016,371	\$ 49,647,472

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

**Red River Parish School Board
Reconciliation of the Governmental Funds' Balance Sheet
to Statement of Net Position
For the Year Ended June 30, 2019**

Total fund balances - governmental funds		\$ 46,011,343
Cost of capital assets at June 30, 2019	26,888,962	
Accumulated depreciation as of June 30, 2019	<u>(11,643,392)</u>	15,245,570
Long-term liabilities		
Compensated absences payable	(1,162,003)	
General obligation bonds payable	(22,982,901)	
Interest payable	(281,400)	
Other post employment benefits	(17,266,153)	
Net pension obligations	<u>(26,570,030)</u>	(68,262,487)
Deferred outflows of resources related to pensions (from pension schedule)	10,241,673	
Deferred outflows of resources related to OPEB	<u>841,001</u>	11,082,674
Deferred inflows of resources related to pensions (from pension schedule)	(4,603,285)	
Deferred inflows of resources related to OPEB	<u>(693,224)</u>	(5,296,509)
Net Position (Deficit)		\$ (1,219,409)

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

Red River Parish School Board
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2019

	MAJOR FUNDS				AGGREGATE REMAINING FUNDS	TOTAL
	GENERAL FUND	EMPLOYEE SALARIES AND BENEFITS	CAPITAL PROJECTS	DEBT SERVICE	OTHER GOVERNMENTAL	
REVENUES						
Local sources						
Ad valorem taxes	\$ 6,222,370	\$ 3,741,291	\$ -	\$ -	\$ -	\$ 9,963,661
Sales and use taxes	2,404,003	2,404,003	-	2,219,774	-	7,027,780
Earnings on investments	627,100	1,165	562,807	1,524	2,647	1,195,243
Cash payments for meals	-	-	-	-	13,290	13,290
Other local revenue	91,947	-	-	-	-	91,947
State sources						
State equalization	5,237,673	-	-	-	-	5,237,673
Revenue sharing	43,466	-	-	-	-	43,466
Other unrestricted revenue	-	-	-	-	250,529	250,529
Other restricted revenue	9,029	-	-	-	5,985	15,014
Federal sources						
Federal restricted grants-in-aid	7,500	-	-	-	3,247,736	3,255,236
Total revenues	14,643,088	6,146,459	562,807	2,221,298	3,520,187	27,093,839
EXPENDITURES						
Current						
Instructional services						
Regular programs	5,658,201	1,953,630	-	-	702,377	8,314,208
Special education programs	1,182,292	442,674	-	-	104,252	1,729,218
Vocational programs	570,557	225,256	-	-	26,561	822,374
Other instructional programs	394,176	73,325	-	-	71,466.00	538,967
Special programs	173,478	56,631	-	-	624,163	854,272
Adult/Continuing education programs	85,329	30,086	-	-	-	115,415
Support services						
Pupil support services	1,017,371	349,546	-	-	228,069	1,594,986
Instructional staff support	690,187	203,338	-	-	558,368	1,451,893
General administration	848,044	212,069	37,480	78,410	-	1,176,003
School administration	1,270,594	412,375	-	-	85,459	1,768,428
Business services	309,997	89,693	-	-	-	399,690
Plant services	1,648,680	195,290	-	-	3,564	1,847,534
Student transportation services	1,255,420	310,258	-	-	3,080	1,568,758
Central services	66,671	24,016	-	-	-	90,687
Other support services	-	-	-	950	-	950.00
Noninstructional services						
Food service operations	184,768	258,318	-	-	1,031,607	1,474,693
Debt service						
Principal	-	-	-	350,000	-	350,000
Interest	-	-	-	842,829	-	842,829
Capital outlay	-	-	4,553,880	-	-	4,553,880
Total expenditures	15,355,765	4,836,505	4,591,360	1,272,189	3,438,966	29,494,785
Excess (deficiency) of revenues over expenditures	(712,677)	1,309,954	(4,028,553)	949,109	81,221	(2,400,946)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	9,654	-	-	-	-	9,654
Transfers in	2,239,776	-	-	-	67,469	2,307,245
Transfers out	(961,601)	(1,250,000)	-	-	(95,644)	(2,307,245)
Total other financing sources (uses)	1,287,829	(1,250,000)	-	-	(28,175)	9,654
Net change in fund balances	575,152	59,954	(4,028,553)	949,109	53,046	(2,391,292)
Fund balances at beginning of year	16,789,318	8,270,652	22,242,206	41,655	1,058,804	48,402,635
Fund balances at end of year	\$ 17,364,470	\$ 8,330,606	\$ 18,213,653	\$ 990,764	\$ 1,111,850	\$ 46,011,343

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

Red River Parish School Board
Reconciliation of the Governmental Funds' Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2019

Total net change in fund balances - Governmental Funds		\$ (2,391,292)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceed capital outlays in the period:		
Capital Outlays	5,368,630	
Depreciation	(806,048)	
Gain on disposal of assets	-	4,562,582
Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		350,000
In the Statement of Activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the Governmental Funds expenditures for these items are measured by the amounts actually paid). In the current year, compensated absences earned (\$689,556) exceeded the amounts used (\$641,971).		
		47,585
Net change in Deferred Outflows of Resources, Deferred Inflows of Resources, and OPEB liability related to Other Post-Employment Benefits		
		(362,687)
Excess of interest paid over interest accrued		
		(70,693)
Change in bond premiums		
		64,890
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions	3,338,000	
Cost of benefits earned net of employee contributions (pension expense from the pension schedules)	(2,609,301)	728,699
Revenue included in the Statement of Activities due to Non-Contributing Entity revenues for GASB 68 implementation.		
		96,844
Change in net position of governmental activities		\$ 3,025,928

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

Red River Parish School Board
Statement of Fiduciary Net Position
Fiduciary Fund Type – Agency Funds
June 30, 2019

Assets

Cash and cash equivalents	\$ 136,570
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Liabilities

Deposits due to others	\$ 136,570
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Net Position

Unrestricted	\$ -
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Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The Red River Parish School Board ("School Board") was created by Louisiana Revised Statute 17:51 for the purpose of providing public education for the residents of Red River Parish. The School Board is authorized by Louisiana Revised Statute 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is currently comprised of seven (7) members who are elected from seven (7) districts for a term of four (4) years.

The School Board operates three (3) schools within the parish with a total enrollment of approximately 1,500 students. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

A. Financial Reporting Entity

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board's financial statements do not include any component units. Additionally, the School Board is a legally separate elected governing body and does not meet the definition of a component unit of any other entity.

B. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that includes its assets, liabilities, fund equity, revenues and expenditures/expenses. 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.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 general fixed 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 their assets, liabilities, revenues and expenditures. 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. The General Fund is always a major fund.

Special Revenue Funds – Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are major funds:

Employee Salaries & Benefits Fund accounts for the collection and distribution of the sales tax levies to provide additional support to the school system to include funding of employee salaries and benefits.

Capital Projects Funds – Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities and improvements. The Capital Projects Fund is for the purpose of acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities.

Debt Service Funds – Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonmajor Funds:

The School Board has five nonmajor Special Revenue Funds. For a description of these funds, see the Nonmajor Funds section of this report.

Fiduciary Funds

Agency Funds – The 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 Fund accounts for all individual school activity funds. While these funds are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

C. Basis of Accounting / Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays 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 Net Assets at the fund financial statement level.

The Statement of Net Position 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.

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 grants. General revenues finance the remaining balance of a function not covered by program revenues.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 (long-term debt interest) of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, OPEB expense and Pension Expense are specifically identified by function and is included in the direct expense of each function.

Fund Financial Statements (FFS)

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 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.

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. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy. Ad valorem taxes are considered available because they are substantially collected within 60 days subsequent to year end. Sales taxes are considered measurable and available when collected by the vendors. Revenue from State and Federal grants are recorded when the reimbursable expenditure 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.

E. Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control. The School Board prepares and adopts a budget prior to July 1 of each year for its general and all special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase or decrease therein for the current year, using the full accrual basis of accounting. The School Board amends its budget(s) when projected revenues are expected to be less than budgeted revenues by an amount greater than five percent (5%) or actual expenditures are expected to be greater than budgeted expenditures by an amount greater than five percent (5%). The School Board approves the overall budget at the function level and management has the authority to transfer amounts between line items within a function. All budget appropriations lapse at year end.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

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

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 receivable reimbursements from the Federal and State Departments of Education.

E. Investments

Investments, consisting of certificates of deposit and fixed income securities, are stated at market value in accordance with the provisions of GASB Statement No. 72.

F. Short-Term Interfund Receivables/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. Inventory

Inventory of the School Food Service Fund consists of food and supplies. Inventory is recorded as an expenditure as it is consumed. Inventory is valued at the lower of cost or net realizable value on the first-in, first-out (FIFO) method. Commodities provided to the School Board by the United States Department of Agriculture (USDA) through the State Department of Education are reflected as revenue when received and as an expenditure when consumed. Commodities are valued at amounts assigned by the USDA.

H. Capital Assets

Capital Assets, which include land, buildings, and equipment, are reported in the governmental-wide financial statements. The School Board considers assets with an initial individual cost of \$5,000 or more and an estimated life of one year or more as 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.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated useful life is management’s 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 useful lives:

Buildings	40 years
Furniture and equipment	3-15 years

I. *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 between governmental funds are netted as part of the reconciliation to the Government-Wide Financial Statements.

J. *Elimination and Reclassifications*

In the process of aggregating data for the statement of net position 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.

K. *Fund Balance of Fund Financial Statements*

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.

Restricted fund balances 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 balances represent resources where constraints have been established by formal action of the School Board. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned fund balances are those balances where informal constraints have been established by the School Board or committee or delegate thereof, but are not restricted nor committed.

Unassigned fund balances are those balances that is residual classification for the general fund. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The School Board had no committed or assigned fund balances at June 30, 2019.

Sometimes the School Board will make expenditures for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as *restricted*, *committed*, *assigned*, and *unassigned* fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the School Board's practice to consider *restricted* fund balance to have been depleted before using any of the components of *unrestricted* fund balance. Further, when the components of *unrestricted* fund balance can be used for the same purpose, *committed* fund balance is depleted first, followed by *assigned* fund balance. *Unassigned* fund balance is applied last.

L. Compensated Absences

The School Board employees earn annual and sick leave at various rates depending on the number of years in service. The maximum amount of annual and sick leave that may be accumulated and carried forward is 480 hours and unlimited, respectively. Several employees have been allowed accumulated annual leave in excess of the 480 hours for time accumulated under previous policies, which allowed for unlimited annual leave. Upon termination, an employee is compensated for up to 640 hours of unused annual leave. Upon retirement or death, an employee is compensated for up to 200 hours of sick leave. Compensation is provided at the employee's hourly rate of pay at the time of termination, retirement or death.

Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 200 hours paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement System, and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave which excludes the 20 hours paid, is used in the retirement benefit computation as earned service. Sabbatical leave may be granted for the rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service and two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Pension Plans

The School Board is a participating employer in three defined benefit pension plans as described in Note 7. For purposes of measuring Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to / deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

N. Other Post-Employment Benefits

For purposes of measuring the net other post-employment benefit liability ("OPEB"), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, additions to/deductions from the OPEB has been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The OPEB plan does not have any assets.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has deferred outflows of resources related to net pension liability and net OPEB liability.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has deferred inflows of resources related to net pension liability, and net OPEB liability.

P. Net Position

In the government-wide statement of net position, net position amounts are classified and displayed in three components:

Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted net position consists of resources with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.

Unrestricted consists of all other net position without restrictions.

Q. Sales and Use Taxes

The School Board collects a one percent (1%) parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to supplement salaries of School Board employees and/or operations of the public schools within the parish. In accordance with a School Board resolution adopted on March 14, 2016, the proceeds of the tax are committed as follows: forty percent (40%) for salaries, five percent (5%) for transportation, ten percent (10%) for classroom activities, five percent (5%) for technology, and forty percent (40%) for general purposes, which was assigned by management for classroom activities. The tax, authorized under the provisions of Louisiana Revised Statute 33:2737 and approved by the voters on June 24, 1974, has no expiration date. The School Board also collects a one percent (1%) parish-wide sales and use tax with the net proceeds, dedicated to employee salaries and benefits. The tax receipts and expenditures are accounted for in a special revenue fund entitled Employee Salaries and Benefits.

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 statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial credit risk - deposits. The School Board's cash and cash equivalents and investments consist of deposits with financial institutions. State statutes govern the School Board's investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements.

Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Differences between School Board balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks. The following is a schedule of the School Board's cash and cash equivalents at June 30, 2019:

	School Board Balances	Bank Balance
Cash on deposit	\$ 26,247,292	\$ 28,646,010
Investments:	-	-
Certificates of deposit	562,552	562,552
LAMP investments	19,805,581	19,805,581
Total cash and investments	\$ 46,615,425	\$ 49,014,143

The School Board's deposits are collateralized as follows:

Federal Deposit Insurance	\$ 250,000
Pledged Securities	32,013,977
Total collateralized deposits	\$ 32,263,977

Credit risk. The School Board's investments consist of the certificate of deposit mentioned above and State and Local Government Series (SLGS) securities held by the paying agent thus limiting the School Board's credit risk at June 30, 2019.

Concentration of credit risk. The School Board does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The School Board manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance

NOTE 3: FAIR VALUE MEASUREMENTS

Beginning with the fiscal year ended June 30, 2016, the School Board was required by GASB 72 to begin categorizing its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 3: FAIR VALUE MEASUREMENTS (Continued)

The implementation of this new statement did not change the method of measuring the fair value of the School Board’s assets. These guidelines recognize a three-tiered fair value hierarchy.

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

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix and market-corroborate pricing and inputs such as yield curves and indices. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quote prices.

The table below represents the fair value measurements of investments held at year end:

	June 30, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Cash and cash equivalents (LAMP)	\$ 6,239,504	\$ 6,239,504	\$ -	\$ -
Fixed income securities	13,566,077	13,566,077	-	-
	\$ 19,805,581	\$ 19,805,581	\$ -	\$ -
Certificates of deposit at cost	562,552			
	\$ 20,368,133			

NOTE 4: AD VALOREM TAXES

The School Board levied ad valorem (property) taxes for the fiscal year 2019 on August 15, 2018 based on the assessed valuation of property as of January 1, 2018. These taxes become due and payable on November 15 of each year and become delinquent after December 31, of the year levied.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 4: AD VALOREM TAXES (Continued)

The following are the School Board authorized and levied ad valorem taxes for 2018:

Parish-wide taxes:	Levied	Expiration
Constitutional	4.97 mills	Statutory
Maintenance	16.32 mills	2023
Construction, repair and maintenance	5.62 mills	2027
Employee salary and benefits	16.18 mills	2023
Consolidation	2.25 mills	2027
Bonds - Debt Service	9.6 mills	2038
	<u>54.94</u> mills	

The Series 2018 General Obligation Bonds were authorized by the voters of the District in a special election held therein on October 14, 2017.

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 one and one-fourth percent per month until 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, Employee Salaries and Benefits Fund, and the Debt Service Fund. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 5: CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities				
Capital assets not being depreciated				
Land	\$ 437,105	\$ 90,000	\$ -	\$ 527,105
Construction in progress	653,025	4,463,732	1,038,820	4,077,937
Total capital assets not being depreciated	1,090,130	4,553,732	1,038,820	4,605,042
Capital assets being depreciated				
Buildings and improvements	17,022,229	1,103,684	-	18,125,913
Automobiles and equipment	4,045,447	259,364	146,804	4,158,007
Total capital assets being depreciated	21,067,676	1,363,048	146,804	22,283,920
Less accumulated depreciation				
Building and improvements	7,398,012	590,375	-	7,988,387
Automobiles and equipment	3,586,136	215,673	146,804	3,655,005
Total accumulated depreciation	10,984,148	806,048	146,804	11,643,392
Total capital assets being depreciated, net	10,083,528	557,000	-	10,640,528
Governmental activities capital assets, net	\$ 11,173,658	\$ 5,110,732	\$ 1,038,820	\$ 15,245,570

Depreciation expense for the year ended June 30, 2019, was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$ 75,552
Special education programs	15,714
Vocational programs	7,473
Other instructional programs	4,898
Special programs	7,763
Adult / Continuing education	928
Support services:	
Pupil support services	14,494
Instructional staff support services	13,194
General administration	10,687
School administration	16,070
Business services	3,632
Plant services	607,164
Student transportation services	14,256
Central services	823
Food service operations	13,400
Facility acquisition and construction	-
Total depreciation expense	\$ 806,048

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 6: SIGNIFICANT CONCENTRATIONS OF RISK

Amounts due from governmental agencies represent substantially all of receivables from outside sources. The School Board derives a majority of its revenue from grants by governmental agencies and is, therefore, economically dependent upon these grants.

NOTE 7: PENSION AND RETIREMENT PLANS

Plan Description

Substantially all employees of the School Board are provided with pensions through cost-sharing multiple-employer defined benefit pension plans administered by the Teachers' Retirement System Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS), or the Parochial Employees' Retirement System of Louisiana (PERS), all of which are administered on a statewide basis. The authority to establish and amend the benefit terms of TRSL, LSERS, and PERS was granted to the respective Board of Trustees and the Louisiana Legislature by Title 11 of the Louisiana Revised Statutes. TRSL, LSERS, and PERS each issue publicly available financial reports that can be obtained at www.trsl.org, www.lservers.net, and www.persla.org, respectively.

TRSL

TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information. Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants. Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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

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

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

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

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

A surviving spouse with minor children of an active member with five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible. Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education. A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement. The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime.

Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

LSERS

LSERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service or 5 years if enrolled after June 30, 2010. All temporary, seasonal and part-time employees as defined in federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employees who work 20 hours or less per week and who are not vested will be refunded their contributions.

Benefit provisions are authorized and amended under Louisiana Revised Statutes. Benefit provisions are dictated by LA R.S. 11:1141 - 11:1153. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the system on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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

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

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. Interest credited and payments from the DROP account are made in accordance with LA R.S. 11:1152(E)(3). Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with LA R.S. 11:1152(F)(3).

PERS

The Parochial Employees' Retirement System of Louisiana (PERS) has one School Board employee that is a member of this cost-sharing multiple-employer public employee statewide plan. PERS was originally established by Act #205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employees and pays persons serving the parish. The plan is operated by board of trustees (seven trustees), an Administrative Director, an Actuary, and Legal Counsel.

The Parochial Plan issues a publicly available financial report that includes financial statements and required supplementary information. The reports may be obtained by writing to The Parochial Employees' Retirement System of Louisiana (Parochial Plan), P.O. Box 14619, Baton Rouge, LA 70808.

Disclosures relating to this plan are as follows:

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The Parochial Plan was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Commission participates in Plan A.

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the Parochial Plan.

Retirement Benefits:

Any member of Plan A can retire providing he/she meet one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

In lieu of terminating employment and accepting a service retirement, any member of Plan A eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the Parochial Plan, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the Parochial Plan, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

Cost of Living Adjustments:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member’s benefit paid on October 1, 1977, (or the member’s retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

TRSL

The employer contribution rate is established annually under LA R.S. 11:101 - 11:104 by the Public Retirement Systems Actuarial Committee (PRSACX) taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The rates in effect during the fiscal year ended June 30, 2019 are as follows:

TRSL Sub Plan	Contribution Rates	
	School Board	Employees
K-12 Regular Plan	26.7%	8.0%
Plan A	26.7%	9.1%
Plan B	26.7%	5.0%

The School Board’s contractually required composite contribution rate for the year ended June 30, 2019, was 26.6% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$3,023,861 for the year ended June 30, 2019.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

LSERS

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarial required contribution rate for June 30, 2019 was 28.4%. The actual employer rate for the year ended June 30, 2019 was 27.6%. A difference may exist due to the State Statute that requires the rate to be calculated in advance. Contributions to the pension plan from the School Board were \$321,822 for the year ended June 30, 2019.

PERS

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018, was 11.5% for Plan A.

According to state statute, the Parochial Plan also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The Parochial Plan also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Contributions to the pension plan from the School Board were \$0 for the year ended June 30, 2019.

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

The net pension liabilities were measured as of June 30, 2018 for TRSL and LSERS, and December 31, 2018 for PERS, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Schools Board's proportion of the net pension liability of PERS was based on the School Board's historical contributions.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

The following table reflects the School Board's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2019, and the change compared to the June 30, 2018 proportion:

	Net Pension Liability at June 30, 2019	Proportion at June 30, 2019	Increase (Decrease) over June 30, 2018 Proportion
TRSL	\$ 24,035,700	0.244560%	0.025680%
LSERS	2,527,397	0.378275%	0.023065%
PERS	6,933	0.001562%	-0.000057%
	<u>\$ 26,570,030</u>		

The following table reflects the School Board's recognized pension expense plus the School Board's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended June 30, 2019:

	Pension Expense	Amortization	Total
TRSL	\$ 1,588,475	\$ 759,690	\$ 2,348,165
LSERS	292,014	(2,012)	290,002
PERS	2,671	(236)	2,435
	<u>\$ 1,883,160</u>	<u>\$ 757,442</u>	<u>\$ 2,640,602</u>

At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TRSL	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience	\$ -	\$ 791,785
Investment Earnings	-	1,549,056
Assumptions	1,544,373	-
Change in Prop.	5,087,489	2,162,021
Difference in Contributions	-	-
Employer Contributions	3,023,861	-
	<u>\$ 9,655,723</u>	<u>\$ 4,502,862</u>

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

<u>LSERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience	\$ -	\$ 72,572
Investment Earnings	50,189	-
Assumptions	107,184	-
Change in Prop. and Difference in Contributions	101,703	27,416
Difference in Contributions	-	-
Employer Contributions	321,822	-
	<u>\$ 580,898</u>	<u>\$ 99,988</u>

<u>PERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Experience	\$ -	\$ 422
Investment Earnings	3,319	-
Assumptions	1,733	-
Change in Prop. and Difference in Contributions	-	13
Difference in Contributions	-	-
Employer Contributions	-	-
	<u>\$ 5,052</u>	<u>\$ 435</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
TRSL	\$ 9,655,723	\$ 4,502,862
LSERS	580,898	99,988
PERS	5,052	435
	<u>\$ 10,241,673</u>	<u>\$ 4,603,285</u>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date of \$3,345,683 will be recognized as a reduction of net pension liability in the year ending June 30, 2019. The following table lists the pension contributions made subsequent to the measure period for each pension plan:

	<u>Subsequent Contributions</u>
TRSL	\$ 3,023,861
LSERS	321,822
PERS	-
	<u>\$ 3,345,683</u>

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

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

<i>June 30,</i>	2020	2021	2022	2023	Total
TRSL	\$ 1,131,809	\$ 343,697	\$ 69,028	\$ 584,466	\$ 2,129,000
LSERS	176,424	97,419	(76,320)	(38,435)	159,088
PERS	3,046	130	707	984	4,867
	<u>\$ 1,311,279</u>	<u>\$ 441,246</u>	<u>\$ (6,585)</u>	<u>\$ 547,015</u>	<u>\$ 2,292,955</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

	TRSL	LSERS	PERS
Valuation Date	June 30, 2018	June 30, 2018	December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed		
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years	3 years	4 years
Investment Rate of Return	7.65% net of investment expenses	7.0625% net of investment expenses	6.5% per annum.
Inflation Rate	2.50% per annum.	2.50%	2.4% per annum.
Salary Increases	3.3% - 4.8% varies depending on duration of service.	2013 - 2017 experience study, 3.25%	4.75%
Cost of Living Adjustments	None	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present value accrued liabilities include future COLA, though not yet authorized by the legislature including the recognition of the existing balance in the Experience Account together with the present value of future contributions to the Account up to the maximum permissible value of the Account based upon current amount limitations.	
Mortality	Mortality rates based on MP-2017 generational improvement table with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.	Mortality rates based on the RP-2014 Sex Distinct Health Retirees Employee Tables, and the RP-130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality.	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study year of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2013-2017) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

The following table lists the methods used by each of the pension plans in determining the long-term rate of return on pension plan investments:

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

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return are developed for each major asset class.

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2019:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	TRSL	LSERS	PERS	TRSL	LSERS	PERS
Cash	-	-	-	-	-	-0.24%
Domestic equity	27.0%	51.0%	25.0%	4.28%	7.19%	4.31%
International equity	19.0%	-	32.0%	4.96%	-	5.35%
Domestic fixed income	13.0%	30.0%	8.0%	1.98%	2.71%	1.73%
International fixed income	5.5%	-	6.0%	2.75%	-	2.49%
Private equity	25.5%	-	-	8.47%	-	-
Alternative investments	10.0%	13.0%	22.0%	3.51%	6.56%	7.41%
Global asset allocation	-	-	7.0%	-	-	2.84%
Real assets	-	6.0%	-	-	0.36%	-
Total	100.0%	100.0%	100.0%	n/a	7.76%	n/a
International fixed income					0.00%	
Expected Arithmetic Nominal Return					7.76%	

n/a – amount not provided by Retirement System

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

Discount Rate

The discount rates used to measure the total pension liability for TRSL, LSERS, and PERS were 7.65%, 7.0625%, and 6.50%, respectively, for the year ended June 30, 2018. The discount rates decreased 0.05%, 0.0625%, and 0.0%, respectively, from the discount rates used for the year ended June 30, 2017.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the School Board's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
TRSL			
Discount rate	6.65%	7.65%	8.65%
Share of NPL	\$ 31,841,484	\$ 24,035,700	\$ 17,451,115
LSERS			
Discount rate	6.0625%	7.0625%	8.0625%
Share of NPL	\$ 3,469,517	\$ 2,527,397	\$ 1,722,072
PERS			
Discount rate	5.50%	6.50%	7.50%
Share of NPL	\$ 14,723	\$ 6,933	\$ 421

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 7: PENSION AND RETIREMENT PLANS (Continued)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2019, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$96,844 for its participation in TRSL and PERS. LSERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LSERS for the year ended June 30, 2019.

Pension Plans Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for TRSL, LSERS, and PERS and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: www.lla.la.gov.

Payables to the Pension Plan

As of June 30, 2019, the School Board had no payables due to the pension plans. Payables are the School Board's legally required contributions to the pension plans.

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

As permitted by Louisiana Revised Statute 17:1223, the School Board provides certain continuing health care and life insurance benefits for certain retired employees through the State group insurance plan, an agent multiple employer defined benefit plan. These benefits if they reach normal retirement age, as defined under the applicable retirement system (see Note 7), while working for the School Board. Currently the Red River Parish School Board's postemployment benefits plan provides employees with a choice of participation in one of three medical insurance plans, each with varying benefits: preferred provider organization (PPO), exclusive provider organization (EPO), or health maintenance organization (HMO). LSA-R.S. 42:801 – 859 assigns the authority to establish benefit plans and premium rates and negotiate contracts to the Office of Group Benefits under the direction of the Commissioner of Administration. The Office of Group Benefits' financial report is included in the Louisiana Comprehensive Annual Financial Report (CAFR), which may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap; by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095; or by calling (225)342-0708.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The components of the net OPEB liability of the School Board at June 30, 2019, were as follows:

Total OPEB liability	\$	17,266,153
Plan fiduciary net position		-
School Board's net OPEB liability	\$	17,266,153

The School Board's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation		2.50%
Salary increases	3.00%, including inflation	
Discount rates		3.50%
Healthcare cost trend rates		5.50%

Mortality Rate

The mortality rate was determined by using the RP-2000 System Table (sex distinct) with floating AA projections for non-annuitants projected to 2031. For post-retirement annuitants, the mortality rate was determined using the RP-2000 System Table (sex distinct) with flowing AA projections to 2023.

Discount Rate

Although this plan is a defined benefit OPEB plan which meets the requirements of paragraph 4 of GASB Statement No. 75, the funded ratio is 0% and the total actual and deemed employer contributions are well below the actuarially determined contribution. We have therefore used a discount rate which would be applicable had the requirements of paragraph 4 not been met. That discount rate is 3.50%, which is the value of the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2019, the end of the applicable measurement period.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 16,059,871	\$ -	\$ 16,059,871
Service cost	344,890	-	344,890
Interest on total OPEB liability	609,541	-	609,541
Effect of plan changes	(75,361)	-	(75,361)
Effect of assumptions changes or inputs	946,126	-	946,126
Benefit payments	(618,914)	-	(618,914)
Net changes	1,206,282	-	1,206,282
Balance as of June 30, 2019	\$ 17,266,153	\$ -	\$ 17,266,153

Sensitivity of the net OPEB liability to changes in the discount rate

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.50%)	Current Discount Rate (3.50%)	1.0% Increase (4.50%)
Net OPEB liability	\$ 20,391,327	\$ 17,266,153	\$ 14,762,561

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following represents the net OPEB liability of the School Board, as well as what the School Board's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease (4.50%)	Current Healthcare Rate (5.50%)	1.0% Increase (6.50%)
Net OPEB liability	\$ 14,710,762	\$ 17,266,153	\$ 20,477,657

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2019, the School Board recognized OPEB expense of \$12,461,627. At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 106,590
Changes in assumptions / inputs	841,001	586,634
Total	\$ 841,001	\$ 693,224

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

Year ended June 30:	
2020	\$ 27,170
2021	\$ 27,170
2022	\$ 27,170
2023	\$ 27,170
2024	\$ 27,170
Thereafter	\$ 11,928

Payable to the OPEB Plan

At June 30, 2019, the School Board reported a payable of \$0 for the outstanding amount of contributions to the OPEB Plan required for the year ended June 30, 2019.

Funded Status and Funding Progress

The School Board has not made any contributions to a postemployment benefits plan trust. Therefore, the plan has no assets, and hence has a funded ratio of zero.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 9: LONG-TERM OBLIGATIONS

The following is a summary of changes in Long-Term Obligations for the year ended June 30, 2019:

	June 30, 2018	Additions	Deletions	June 30, 2019
General obligation bonds	\$ 22,100,000	\$ -	\$ 350,000	\$ 21,750,000
Unamortized bond premium	1,297,791	-	64,890	1,232,901
Other post employment benefits	16,059,871	1,206,282	-	17,266,153
Net Pension Liability	24,711,880	1,858,150	-	26,570,030
Compensated absences, net	1,114,419	689,556	641,972	1,162,003
Total long-term obligations	\$ 65,283,961	\$ 3,753,988	\$ 1,056,862	\$ 67,981,087

Long-term bonds outstanding at June 30, 2019 are comprised of the Series 2018 General Obligation Bonds issued in 2018 with a maturity date of March 1, 2038 with interest rates varying from 3% to 5%.

Debt service requirements to maturity on all School Board bonds and certificates of indebtedness outstanding at June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 785,000	\$ 844,200	\$ 1,629,200
2021	810,000	820,650	1,630,650
2022	835,000	796,350	1,631,350
2023	865,000	771,300	1,636,300
2024	905,000	736,700	1,641,700
2025-2029	5,255,000	2,957,000	8,212,000
2030-2034	6,315,000	1,876,150	8,191,150
2035-2038	5,980,000	610,000	6,590,000
Total	\$ 21,750,000	\$ 9,412,350	\$ 31,162,350

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 10: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The balances of deferred inflows and outflows of resources as of June 30, 2019 consist of:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Pension Liabilities (GASB 68):		
Teachers' Retirement System of Louisiana (TRSL)	9,655,723	4,502,862
Louisiana School Employees' Retirement System (LSE)	580,898	99,988
Parochial Employees' Retirement System of Louisiana (PER)	5,052	435
	<u>10,241,673</u>	<u>4,603,285</u>
Other Post-Employment Benefits (GASB 75)	<u>841,001</u>	<u>693,224</u>
Balance as of June 30, 2019	<u>\$ 11,082,674</u>	<u>\$ 5,296,509</u>

NOTE 11: RISK FINANCING ACTIVITIES

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES (FFS LEVEL ONLY)

Individual balances due to/from other funds at June 30, 2019, are as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund	\$ 1,575,139	\$ -
Special Revenue:		
Capital Projects	-	683,398
Non-major Funds:		
Special Revenue:		
Title I	-	296,491
Special Education	-	153,722
Other Federal Programs	-	273,361
State Grants	-	168,167
Total	<u>\$ 1,575,139</u>	<u>\$ 1,575,139</u>

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 13: INTERFUND TRANSFERS

Transfers to/from other funds for the year ended June 30, 2019 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$ 2,239,776	\$ 961,601
Special Revenue:		
Employee Salaries and Benefits	-	1,250,000
Non-major Funds:		
Special Revenue:		
Title I	-	44,255
Special Education	7,278	20,334
Other Federal Programs	25,459	23,381
State Grants	34,732	7,674
Total	\$ 2,307,245	\$ 2,307,245

NOTE 14: RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School Board.

The School Board is currently not involved in any litigation as of June 30, 2019.

NOTE 15: TAX REVENUE ABATED

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ended June 30, 2019, approximately \$805,000 in Red River Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 16: ECONOMIC DEPENDENCY

The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 and February 1 student counts. The state provided \$5,257,673, to the School Board, which represents approximately 19.3% of the School Board's total revenues for the year.

NOTE 17: CONSTRUCTION COMMITMENTS

At June 30, 2019, the School Board had several uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was approximately \$14,500,000.

NOTE 18: FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several pronouncements that have effective dates that may impact future presentations. The School Board is currently evaluating the potential impacts of the following GASB statements on its accounting practices and financial statements.

- GASB Statement No. 84, *Fiduciary Activities*.
- GASB Statement No. 87, *Leases*.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The requirements of this statement will enhance the consistent and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information provided in financial statements for assessing government accountability and stewardship. The standard is effective for the year ended June 30, 2020, and the School Board is currently assessing its impact, if any.

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.



Red River Parish School Board
Notes to the Basic Financial Statements
June 30, 2019

NOTE 19: FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognized a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The standard is effective for the year ending June 30, 2021, and the School Board is currently assessing their impact.

In June 2018, the GASB issued Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The standard is effective for the year ending June 30, 2021 and the School System is currently assessing their impact.



**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

Red River Parish School Board
Budgetary Comparison Schedule – General Fund (Unaudited)
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary Fund Balance, Beginning	\$ 16,789,318	\$ 16,789,318	\$ 16,789,318	\$ -
Resources (inflows)				
Local sources				
Ad valorem taxes				
Constitutional tax	1,141,860	1,145,000	1,149,206	4,206
Renewable tax	5,050,890	5,054,000	5,073,164	19,164
Other than school taxes	2,235,000	2,667,614	2,404,003	(263,611)
Earnings on investments	258,710	649,210	627,100	(22,110)
Other local revenue	44,000	42,500	49,422	6,922
Total local sources	8,730,460	9,558,324	9,302,895	(255,429)
State and federal sources				
State equalization	5,382,887	5,300,000	5,237,673	(62,327)
State revenue sharing	30,687	30,687	43,466	12,779
Other unrestricted revenue	19,000	19,000	42,525	23,525
Other restricted revenue	25,000	20,000	9,029	(10,971)
Federal restricted grants-in-aid	-	7,500	7,500	-
Total state and federal sources	5,457,574	5,377,187	5,340,193	(36,994)
Other sources				
Proceeds from sale of assets	3,000	9,679	9,654	(25)
Transfers in	2,450,000	2,265,000	2,239,776	(25,224)
Total other sources	2,453,000	2,274,679	2,249,430	(25,249)
Total resources	16,641,034	17,210,190	16,892,518	(317,672)
Amounts available for appropriations	33,430,352	33,999,508	33,681,836	(317,672)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	5,707,155	5,849,500	5,658,201	(191,299)
Special education programs	1,308,128	1,231,851	1,182,292	(49,559)
Vocational programs	660,810	586,117	570,557	(15,560)
Other instructional programs	409,913	387,425	394,176	6,751
Special programs	166,590	192,741	173,478	(19,263.00)
Adult/Continuing education programs	85,388	85,396	85,329	(67)
Support Services				
Pupil support services	972,256	1,017,864	1,017,371	(493)
Instructional staff support	668,106	696,993	690,187	(6,806)
General administration	856,829	855,915	848,044	(7,871)
School administration	1,248,319	1,273,699	1,270,594	(3,105)
Business services	310,620	320,682	309,997	(10,685)
Plant services	1,838,322	1,971,013	1,648,680	(322,333)
Student transportation services	1,261,357	1,275,871	1,255,420	(20,451)
Central services	39,816	41,140	66,671	25,531
Non-instructional services				
Food service operations	149,797	188,349	184,768	(3,581)
Other uses				
Transfers out	800,000	950,000	961,601	11,601
Indirect cost transfers	-	-	-	-
Total charges to appropriations	16,483,406	16,924,556	16,317,366	(607,190)
Budgetary Fund Balances, Ending	\$ 16,946,946	\$ 17,074,952	\$ 17,364,470	\$ 289,518

See notes to budgetary comparison schedules.

Red River Parish School Board
Budgetary Comparison Schedule – Employee Salaries and Benefits (Unaudited)
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary Fund Balance, Beginning	\$ 8,270,652	\$ 8,270,652	\$ 8,270,652	\$ -
Resources (inflows)				
Local sources				
Ad valorem taxes	3,703,000	3,726,500	3,741,291	14,791
Sales and use taxes	2,000,000	2,432,614	2,404,003	(28,611)
Earnings on investments	1,250	1,250	1,165	(85)
Total local sources	5,704,250	6,160,364	6,146,459	(13,905)
Total resources	5,704,250	6,160,364	6,146,459	(13,905)
Amounts available for appropriations	13,974,902	14,431,016	14,417,111	(13,905)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	1,698,692	2,027,493	1,953,630	(73,863)
Special education programs	433,454	519,010	442,674	(76,336)
Vocational programs	188,579	229,410	225,256	(4,154.00)
Other instructional programs	78,048	72,482	73,325	843
Special programs	38,089	56,760	56,631	(129)
Adult/Continuing education programs	22,270	25,826	30,086	4,260
Support services				
Pupil support services	261,481	319,509	349,546	30,037
Instructional staff support	159,099	191,700	203,338	11,638
General administration	207,273	209,807	212,069	2,262
School administration	320,266	385,310	412,375	27,065
Business services	73,328	85,134	89,693	4,559
Plant services	161,594	128,069	195,290	67,221
Student transportation services	260,056	302,855	310,258	7,403
Central services	18,649	23,297	24,016	719
Noninstructional services				
Food service operations	198,373	264,304	258,318	(5,986)
Other uses				
Transfers out	1,585,000	1,250,000	1,250,000	-
Total charges to appropriations	5,704,251	6,090,966	6,086,505	(4,461)
Budgetary Fund Balances, Ending	\$ 8,270,651	\$ 8,340,050	\$ 8,330,606	\$ (9,444)

See notes to budgetary comparison schedules.

Red River Parish School Board
Budgetary Comparison Schedule – School Lunch Fund (Unaudited)
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary Fund Balance, Beginning	\$ 1,058,804	\$ 1,058,804	\$ 1,058,804	\$ -
Resources (inflows)				
Local Sources				
Earnings on investments	2,500	2,500	2,647	147
Cash payments for meals	13,800	13,800	13,290	(510)
State Sources				
State - other revenues	20,000	20,000	20,000	-
Federal Sources				
Restricted grants-in-aid	1,060,000	1,060,000	1,034,767	(25,233)
Total resources	<u>1,096,300</u>	<u>1,096,300</u>	<u>1,070,704</u>	<u>(25,596)</u>
Amounts available for appropriations	2,155,104	2,155,104	2,129,508	(25,596)
Charges to appropriations (outflows)				
Current				
Noninstructional				
Food service operations	1,096,300	1,080,183	1,031,607	(48,576)
Other uses				
Transfers out	-	-	-	-
Total charges to appropriations	<u>1,096,300</u>	<u>1,080,183</u>	<u>1,031,607</u>	<u>(48,576)</u>
Budgetary Fund Balances, Ending	<u>\$ 1,058,804</u>	<u>\$ 1,074,921</u>	<u>\$ 1,097,901</u>	<u>\$ 22,980</u>

See notes to budgetary comparison schedules.

**Red River Parish School Board
Budgetary Comparison Schedule – Title I (Unaudited)
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Over (Under)
	Original Budget	Final Budget		
Budgetary Fund Balance, Beginning	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal Sources				
Restricted grants-in-aid	934,232	934,232	876,985	(57,247)
Total resources	934,232	934,232	876,985	(57,247)
Amounts available for appropriations	934,232	934,232	876,985	(57,247)
Charges to appropriations (outflows)				
Current				
Instructional services				
Regular programs	145,569	147,872	135,420	(12,452)
Special programs	235,655	253,088	227,240	(25,848)
Support Services				
Instructional staff support	427,639	396,756	381,047	(15,709)
School administration	73,416	84,563	85,459	896
Plant services	5,100	5,100	3,564	(1,536)
Other uses				
Indirect cost transfers	46,853	46,853	44,255	(2,598)
Total charges to appropriations	934,232	934,232	876,985	(57,247)
Budgetary Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

See notes to budgetary comparison schedules.

Red River Parish School Board
Notes to Budgetary Comparison Schedules (Unaudited)
For the Year Ended June 30, 2019

Note A – BUDGETS

General Budget Policies The School Board utilized the following procedures in establishing the budgetary data reflected in the financial statements:

In July, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund and the Special Revenue Funds for the fiscal year commencing 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 adopts 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 year, when deemed appropriate, but a balanced budget is always approved.

All 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 of the School Board is 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 approval.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting. Budgeted amounts are originally adopted or amended by the School Board members. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The effects of budget revisions to the general fund passed during the year were insignificant.

Red River Parish School Board
Notes to Budgetary Comparison Schedules (Unaudited)
For the Year Ended June 30, 2019

Note B - Budget to GAAP Reconciliation

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 33,681,836
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(16,789,318)
Other financing sources	(2,249,430)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 14,643,088
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 16,317,366
Other financing uses	(961,601)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 15,355,765

Red River Parish School Board
Notes to Budgetary Comparison Schedules (Unaudited)
For the Year Ended June 30, 2019

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	Employee Salaries and Benefits
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 14,417,111
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(8,270,652)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 6,146,459
 <u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 6,086,505
Other financing uses	(1,250,000)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 4,836,505

Red River Parish School Board
Notes to Budgetary Comparison Schedules (Unaudited)
For the Year Ended June 30, 2019

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	School Lunch Fund
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 2,129,508
Fund balance	(1,058,804)
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 1,070,704
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 1,031,607
Other financing uses	-
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 1,031,607
<hr/>	
	Title I
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Available for appropriation" from the Budgetary Comparison Schedule	\$ 876,985
Other financing sources	-
<hr/>	
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 876,985
<hr/>	
<u>Charges to appropriations:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 832,730
Other financing uses	44,255
<hr/>	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 876,985
<hr/>	

Red River Parish School Board
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2019

For the Year Ended June 30,	2018	2019
Total OPEB Liability		
Service cost	\$ 334,653	\$ 344,890
Interest	582,958	609,541
Changes of benefit terms	-	-
Differences between expected and actual experience	(48,403)	(75,361)
Changes of assumptions	(716,995)	946,126
Benefit payments	(685,534)	(618,914)
Net change in total OPEB liability	\$ (533,321)	\$ 1,206,282
Total OPEB liability - beginning	16,593,192	16,059,871
Total OPEB liability - ending (a)	\$ 16,059,871	\$ 17,266,153
Plan Fiduciary Net Position		
Contributions - employer	-	-
Net investment income	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	\$ -	\$ -
Plan fiduciary net position - ending (b)	\$ -	\$ -
Net OPEB liability - ending (a)-(b)	\$ 16,059,871	\$ 17,266,153
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%
Covered-employee payroll	9,858,100	10,252,424
Net OPEB liability as a percentage of covered-employee payroll	163%	168%

Benefit Changes - There were no changes to benefit terms for the year ended June 30, 2019

Changes of Assumptions - There were no changes of assumptions for the year ended June 30, 2019

Changes of discount rate - The discount rate decreased from 3.87% to 3.50% for the year ended June 30, 2019

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

Red River Parish School Board
Schedule of Employer's Proportionate Share of Net Pension Liability
June 30, 2019

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Teachers' Retirement System of Louisiana					
2018	0.2446%	\$ 24,035,700	\$ 11,464,187	210%	68.20%
2017	0.2189%	\$ 22,438,795	\$ 10,362,011	217%	65.60%
2016	0.2173%	\$ 25,508,932	\$ 10,418,385	245%	59.90%
2015	0.2284%	\$ 24,554,223	\$ 10,716,034	229%	62.50%
2014	0.2073%	\$ 21,189,749	\$ 9,471,738	224%	63.70%
Louisiana School Employees' Retirement System					
2018	0.378275%	\$ 2,527,397	\$ 1,161,737	218%	74.4%
2017	0.355200%	\$ 2,273,085	\$ 1,091,149	208%	75.0%
2016	0.367300%	\$ 2,770,564	\$ 1,091,149	254%	70.1%
2015	0.355500%	\$ 2,254,448	\$ 1,019,502	221%	74.5%
2014	0.320000%	\$ 1,854,806	\$ 1,043,897	178%	76.2%
Parochial Employees' Retirement System					
2018	0.001562%	\$ 6,933	\$ 10,200	68%	88.86%
2017	0.001560%	\$ (1,158)	\$ 10,200	-11%	101.98%
2016	0.001619%	\$ 1,248	\$ 10,200	12%	94.15%
2015	0.001674%	\$ 1,392	\$ 10,200	14%	92.23%
2014	0.001273%	\$ 767	\$ 10,200	8%	99.15%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

**Red River Parish School Board
Schedule of Employer's Contributions
June 30, 2019**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Teachers' Retirement System of Louisiana					
2019	\$ 3,023,861	\$ 3,023,861	\$ -	\$ 11,706,295	25.8%
2018	\$ 3,049,528	\$ 3,049,528	\$ -	\$ 11,464,187	26.6%
2017	\$ 2,652,419	\$ 2,652,419	\$ -	\$ 10,362,011	25.6%
2016	\$ 2,748,709	\$ 2,748,709	\$ -	\$ 10,418,385	26.4%
2015	\$ 3,009,023	\$ 3,009,023	\$ -	\$ 10,716,034	28.1%
Parochial Employees' Retirement System					
2019	\$ -	\$ -	\$ -	\$ 10,200	0.0%
2018	\$ 1,200	\$ 1,200	\$ -	\$ 10,200	11.8%
2017	\$ 1,248	\$ 1,248	\$ -	\$ 10,200	12.2%
2016	\$ 1,392	\$ 1,392	\$ -	\$ 10,200	13.6%
2015	\$ 767	\$ 767	\$ -	\$ 10,200	7.5%
Louisiana School Employees' Retirement System					
2019	\$ 321,822	\$ 321,822	\$ -	\$ 1,161,737	26.5%
2018	\$ 301,158	\$ 301,158	\$ -	\$ 1,161,737	26.5%
2017	\$ 278,324	\$ 278,324	\$ -	\$ 1,091,149	25.1%
2016	\$ 315,257	\$ 315,257	\$ -	\$ 1,019,502	26.1%
2015	\$ 358,197	\$ 358,197	\$ -	\$ 1,043,897	34.3%

*Amounts presented were determined as of the end of the fiscal year.

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



Red River Parish School Board
Notes to Required Supplementary Information
June 30, 2019

Changes of Assumptions

Teachers' Retirement System of Louisiana

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.70% to 7.65%.

Louisiana School Employees' Retirement System

For the actuarial valuation for the year ended June 30, 2018, the discount rate was decreased from 7.125% to 7.0625% and the inflation rate was decreased from 2.625% to 2.5%. Salary increases decreased from a range of 3.075% to 5.375% to a rate of 3.25%

Parochial Employees' Retirement System

There were no changes of benefit terms for the year ended December 31, 2018.



SUPPLEMENTAL INFORMATION



NONMAJOR FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds are primarily established for specific educational purposes and funded through the United States Department of Education or the Louisiana Department of Education.

- School Food Service accounts for the revenues and expenditures incurred, in providing to pupils, breakfast and lunch services during the school year and in the Summer Feeding program.
- Title I of the Elementary and Secondary Education Act (ESEA) is a federally financed program which provides for the needs of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.
- The Special Education fund is a Federal program that provides free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.
- The Other Federal Programs fund account for all other federal programs that were not specifically discussed above.
- The State Grants fund account for various programs funded by the Louisiana Department of Education.



SPECIAL REVENUE FUNDS

Red River Parish School Board
Nonmajor Special Revenue Funds – Combining Balance Sheet
June 30, 2019

	Special Revenue Funds						Total
	Lunch Fund	Title I	Special Education	Other Federal Programs	State Grants		
Assets							
Cash and cash equivalents	\$ 824,041	\$ -	\$ -	\$ 2,628	\$ -		\$ 826,669
Investments	182,896	-	-	-	-		182,896
Due from other governments							
Due from federal sources	79,636	296,491	153,722	278,506	-		808,355
Due from state sources	-	-	-	10,000	168,167		178,167
Inventory	20,284	-	-	-	-		20,284
Total assets	1,106,857	296,491	153,722	291,134	168,167		2,016,371
Liabilities and Fund Balances							
Liabilities							
Accounts payable	8,956	-	-	3,824	-		12,780
Due to other funds	-	296,491	153,722	273,361	168,167		891,741
Total liabilities	8,956	296,491	153,722	277,185	168,167		904,521
Fund Balances							
Nonspendable							
Inventory and prepaids	20,284	-	-	-	-		20,284
Restricted for							
Instructional costs	-	-	-	13,949	-		13,949
Food services	1,077,617	-	-	-	-		1,077,617
Total fund balances	1,097,901	-	-	13,949	-		1,111,850
Total liabilities and fund balances	\$ 1,106,857	\$ 296,491	\$ 153,722	\$ 291,134	\$ 168,167		\$ 2,016,371

Red River Parish School Board
Nonmajor Special Revenue Funds – Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue Funds					Total
	Lunch Fund	Title I	Special Education	Other Federal Programs	State Grants	
Revenues						
Local Sources						
Earnings on investments	2,647	-	-	-	-	2,647
Cash payments for meals	13,290	-	-	-	-	13,290
State Sources						
Restricted grants-in-aid	-	-	-	-	5,985	5,985
State - other revenues	20,000	-	-	18,160	212,369	250,529
Federal Sources						
Restricted grants-in-aid	1,034,767	876,985	405,467	712,677	217,840	3,247,736
Total revenues	1,070,704	876,985	405,467	730,837	436,194	3,520,187
Expenditures						
Current						
Instructional						
Regular programs	-	135,420	-	477,185	89,772	702,377
Special education programs	-	-	104,252	-	-	104,252
Vocational programs	-	-	-	26,561	-	26,561
Other instructional programs	-	-	-	71,466	-	71,466
Special programs	-	227,240	-	23,707	373,216	624,163
Support Services						
Pupil support services	-	-	228,069	-	-	228,069
Instructional staff	-	381,047	60,090	117,231	-	558,368
School administration	-	85,459	-	-	-	85,459
Plant services	-	3,564	-	-	-	3,564
Student transportation services	-	-	-	2,816	264	3,080
Noninstructional						
Food service operations	1,031,607	-	-	-	-	1,031,607
Capital outlay	-	-	-	-	-	-
Total expenditures	1,031,607	832,730	392,411	718,966	463,252	3,438,966
Excess of Revenues Over Expenditures	39,097	44,255	13,056	11,871	(27,058)	81,221
Other Financing Sources (Uses)						
Transfers in	-	-	7,278	25,459	34,732	67,469
Transfers out	-	(44,255)	(20,334)	(23,381)	(7,674)	(95,644)
Total other financing sources (Uses)	-	(44,255)	(13,056)	2,078	27,058	(28,175)
Net Change in Fund Balances	39,097	-	-	13,949	-	53,046
Fund Balances at Beginning of Year	1,058,804	-	-	-	-	1,058,804
Fund Balances at End of Year	\$ 1,097,901	\$ -	\$ -	\$ 13,949	\$ -	\$ 1,111,850

**Red River Parish School Board
Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2019**

	<u>Compensation</u>
Richard B. Cannon	\$ 10,200
Valerie Taylor Cox	9,600
Gary L. Giddens	9,600
Roger Longino	10,200
Cleve L. Miller	9,600
Susan Taylor	9,600
Kasandria W. White	9,600
	<hr/> <hr/> \$ 68,400

Red River Parish School Board
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head Name: Alison Hughes, Superintendent

Purpose	Amount
Salary	\$ 111,431
Benefits-insurance (health & life)	\$ -
Benefits (retirement)	\$ -
Car allowance	\$ -
Legal services	\$ -
Travel	\$ -
Supplies	\$ -
Reimbursements	\$ 254



SINGLE AUDIT INFORMATION

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

Board Members
Red River Parish School Board
Coushatta, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Red River Parish School Board as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Red River Parish School Board's basic financial statements and have issued our report thereon dated December 19, 2019.

Internal Control over Financial Reporting

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

A deficiency in internal control exist 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 School Board's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 19, 2019



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**Independent Auditors' Report on Compliance for
Each Major Program and on Internal
Control over Compliance Required by the *Uniform Guidance***

Board Members
Red River Parish School Board
Coushatta, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Red River Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2019. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
December 19, 2019

RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal C.F.D.A. Number	Pass Through Grant Number	Total Federal Expenditures / Issues	Federal Expenditures to Subrecipients
DIRECT PROGRAMS:				
U.S. DEPARTMENT OF DEFENSE				
R.O.T.C.	12.U01	N/A	\$ 56,377	\$ -
Total U.S. Department of Defense			<u>56,377</u>	-
Total Direct Programs			<u>56,377</u>	-
PASS THROUGH PROGRAMS:				
U. S. DEPARTMENT OF EDUCATION				
Passed through Louisiana Department of Education				
Comprehensive Literacy Development	84.371	28-18-SR03-41	103,233	-
Title I Grants to Local Educational Agencies				
Part A - Basic				
Title I Grants to Local Educational Agencies	84.010	28-19-T1-41	876,985	-
Title I Grants to Local Educational Agencies	84.010	28-18-RD18-41	66,470	-
Title I Grants to Local Educational Agencies	84.010	28-19-DSS-41	<u>27,147</u>	-
Total Title I			970,602	-
Migrant Education	84.011	28-19-T1-41	7,821	-
Gaining Early Awareness and Readiness for Undergraduates	84.334	P334S09003	68,070	-
Teacher Incentive Fund	84.374	28-19-TP-41	149,462	-
Teacher Incentive Fund	84.374	28-18-PBCS-41	<u>100,832</u>	-
Total Teacher Incentive Fund			250,294	-
Student Support and Academic Enrichment Program	84.424	28-19-71-41	50,649	-
Rural Education Achievement Program	84.358	28-19-RE-41	34,320	-
SPECIAL EDUCATION CLUSTER:				
Special Education-Individuals With Disabilities Education Act IDEA B				
Grants to States (IDEA Part B)	84.027	28-18-B1-65	384,421	-
Preschool Grants (IDEA Preschool)	84.173	28-19-P1-41	21,046	-
Grants to States (IDEA Part B)	84.027	28-19-BPT-41	<u>7,500</u>	-
Total Special Education Cluster			412,967	-
Title II - Part A, Teacher and Principal Training and Recruiting				
Supporting Effective Instruction State Grants	84.367	28-18-50-65	93,330	-
Career and Technical Education - Basic Grants to States	84.048	28-18-02-65	23,036	-
Total U.S. Dept. of Education Passed Through LA DOE			<u>2,014,322</u>	-

(continued)

See Notes to Schedule of Expenditures of Federal Awards

RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal C.F.D.A. Number	Pass Through Grant Number	Total Federal Expenditures / Issues	Federal Expenditures to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Education				
Temporary Assistance for Needy Families (TANF) Cluster				
TANF - LA Pre-K Program	93.558	28-18-36-65	149,770	-
Total TANF Cluster			<u>149,770</u>	-
Total U. S. Department of Health and Human Services Passed Through LA DOE			<u>149,770</u>	-
U.S. DEPARTMENT OF AGRICULTURE (USDA)				
Passed through Louisiana Department of Education				
CHILD NUTRITION CLUSTER:				
National School Lunch Program	10.555	N/A	623,303	-
School Breakfast Program	10.553	N/A	351,131	-
After School Snack Program	10.555	N/A	2,101	-
Food Distribution (Cash in lieu of commodities)	10.555	N/A	58,232	-
Total Child Nutrition Cluster			<u>1,034,767</u>	-
Total U.S. Dept. of Agriculture Passed Through LA DOE			<u>1,034,767</u>	-
TOTAL PASS THROUGH PROGRAMS			<u>1,184,537</u>	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,255,236</u>	<u>\$ -</u>

(concluded)

**Red River Parish School Board
Coushatta, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards
Fiscal year Ended June 30, 2019**

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards activity of the Red River Parish School Board, Coushatta, Louisiana (the School Board), under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School Board.

B. General

The School Board reporting entity is defined in Note 1 to the School Board's general purpose financial statements. All Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through other government agencies is included on the schedule.

C. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements. Nonmonetary assistance is reported in the schedule at fair value of the goods received.

D. Relationship to 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, 2019:

	General Fund	Title I Funds	Special Education Funds	Other Federal Programs Funds	School Food Service Funds	State Grants
Total expenditures per financial statements	\$ 7,500	\$ 832,730	\$ 385,133	\$ 689,296	\$ 1,034,767	\$ 217,840
Transfer of indirect cost	-	44,255	20,334	23,381	-	-
Expenditures per schedule	<u>\$ 7,500</u>	<u>\$ 876,985</u>	<u>\$ 405,467</u>	<u>\$ 712,677</u>	<u>\$ 1,034,767</u>	<u>\$ 217,840</u>

Included in the Child Nutrition Cluster is \$58,232 of non-cash awards in the form of commodities provided by the United States Department of Agriculture.

**Red River Parish School Board
Coushatta, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards
Fiscal year Ended June 30, 2019**

E. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

F. Federal Indirect Cost Rate

Red River Parish School Board did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2019.

G. Subrecipients

Red River Parish School Board did not provide federal funds to any subrecipients during the year ended June 30, 2019.

H. Loans

Red River Parish School Board did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2019.

I. Federally Funded Insurance

Red River Parish School Board has no federally funded insurance.

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

None

Section III – Federal Award Findings and Responses

None

**Red River Parish School Board
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019**

Section II Findings – Financial Statement Audit

None

Section III Findings and Questioned Cost – Major Federal Award Programs

None

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

Board Members
Red River Parish School Board
Coushatta, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Red River Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of 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. Management of the School Board is responsible for its performance and statistical data. 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.

Comment: No exceptions were noted as a result of applying the agreed-upon procedures.

Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a sample of 10 classes to the October 1, 2018 roll books for those classes and observed that the class was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying the agreed-upon procedure.

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

3. We obtained October 1, 2018 PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

Comment: No exceptions were noted as a result of applying agreed-upon procedures.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30, 2019 PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data / listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management)

Comment: No exceptions were noted as a result of applying agreed-upon procedures.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

December 19, 2019

RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2019**

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

Classroom Teacher Salaries	\$ 4,540,233	
Other Instructional Staff Activities	578,288	
Instructional Staff Employee Benefits	2,554,961	
Purchased Professional and Technical Services	84,812	
Instructional Materials and Supplies	475,601	
Instructional Equipment	39,788	
Total Teacher and Student Interaction Activities	<u>8,273,683</u>	\$ 8,273,683

Other Instructional Activities

	103,600	
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Pupil Support Activities	1,017,373	
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Less: Equipment for Pupil Support Activities	-	
--	---	--

Net Pupil Support Activities	<u>1,017,373</u>	
------------------------------	------------------	--

Instructional Staff Services

	690,186	
--	---------	--

Less: Equipment for Instructional Staff Services	-	
--	---	--

Net Instructional Staff Services	<u>690,186</u>	
----------------------------------	----------------	--

School Administration

	1,270,294	
--	-----------	--

Less: Equipment for School Administration	-	
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Net School Administration	<u>1,270,294</u>	
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Total General Fund Instructional Expenditures		<u>\$ 11,355,136</u>
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Total General Fund Equipment Expenditures

	<u>\$ 39,788</u>
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Certain Local Revenue Sources**Local Taxation Revenue:****Ad Valorem Taxes**

Constitutional Ad Valorem Taxes	\$ 1,149,206
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Renewable Ad Valorem Tax	3,773,659
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Debt Service Ad Valorem Tax	-
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Up to 1% of Collections by the Sheriff on taxes other than School Taxes	245,591
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Sales Taxes

Sales and Use Taxes - Gross	2,404,003
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Total Local Taxation Revenue	<u>\$ 7,572,459</u>
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Local Earnings on Investment in Real Property:

Total Local Earnings on Investment in Real Property	<u>\$ 70,612</u>
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State Revenue in Lieu of Taxes:

Revenue Sharing-Constitutional Tax	\$ 20,399
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Total State Revenue in Lieu of Taxes	<u>\$ 20,399</u>
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Nonpublic Textbook Revenue

	<u>\$ -</u>
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RED RIVER PARISH SCHOOL BOARD
Class Size Characteristics
As of October 1, 2018

School Type	Class Size Range							
	1 - 20		21-26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	61.8%	51	35.0%	49	3.2%	0	0.0%	2
Elementary Activity Classes	62.1%	10	34.0%	14	3.9%	0	0.0%	0
Middle/Jr. High	66.3%	48	20.9%	25	12.6%	9	0.2%	0
Middle/Jr. High Activity Classes	93.3%	19	4.4%	4	0.7%	2	1.5%	0
High	71.5%	177	20.1%	18	8.1%	3	0.3%	0
High Activity Classes	67.4%	50	17.1%	6	12.7%	2	2.8%	0
Combination	86.1%	22	0.0%	0	0.0%	0	13.9%	5
Combination Activity Classes	100.0%	0	0.0%	0	0.0%	0	0.0%	0
Other		0		0		0		0

**Red River Parish School Board
Coushatta, Louisiana**

STATEWIDE AGREED-UPON PROCEDURES REPORT

For the fiscal period July 1, 2018 through June 30, 2019



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CPAs and Advisors

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the School Board Members of Red River Parish School Board and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Red River Parish School Board (RRPSB) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures Year 3 (SAUPs) for the fiscal period July 1, 2018 to June 30, 2019. RRPSB's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Comment: *No exceptions were identified in the procedure performed.*

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Comment: *No exceptions were identified in the procedure performed.*

- c) **Disbursements**, including processing, reviewing, and approving.

Comment: *No exceptions were identified in the procedure performed.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Comment: *No exceptions were identified in the procedure performed.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Comment: *No exceptions were identified in the procedure performed.*

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

Comment: *The policies and procedures for Contracting do not contain elements of attributes (1), (2), (3), and (5) in procedure f) above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

Comment: *The policies and procedures for Credit Cards (and debit cards, fuel cards, P-Cards, if applicable) do not contain elements of attribute (4) in procedure g) above.*

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

Comment: *The policies and procedures for Travel and expense reimbursement do not contain elements of attribute (2) in procedure h) above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Comment: *The policies and procedures for Ethics do not contain elements of attribute (4) in procedure i) above.*

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

Comment: *No exceptions were identified in the procedure performed.*

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

Comment: *No exceptions were identified in the procedure performed.*

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Comment: *A meeting was not held in the month of July during the fiscal period.*

- b) For those entities reporting on the governmental accounting model, observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Comment: *A meeting was not held in the month of July during the fiscal period. No exceptions were identified for the remaining months in the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one minute during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Comment: *No exceptions were identified in the procedure performed.*

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

3. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Then we randomly selected 5 locations (or all locations if less than 5).

Comment: *We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We selected all 4 locations that were on the listing provided by management.*

4. For each location selected under #3 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Comment: *No exceptions were identified in the procedure performed.*

- b) At least two employees are involved in processing and approving payments to vendors.

Comment: *No exceptions were identified in the procedure performed.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Comment: *No exceptions were identified in the procedure performed.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Comment: *No exceptions were identified in the procedure performed.*

- 5. For each location selected under #3 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursement) and obtained management's representation that the population is complete. We then randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:

- a) Observed that the disbursement matched the related original invoice/billing statement.

Comment: *No exceptions were identified in the procedure performed.*

- b) Observed that the disbursement documentation included evidence of segregation of duties tested under #4, as applicable.

Comment: *No exceptions were identified in the procedure performed.*

Payroll and Personnel

- 6. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Comment: *We obtained a listing of employees/elected official employed during the fiscal period and management's representation that the listing is complete. No exceptions were identified in the procedures performed.*

- 7. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #6 above, obtained attendance records and leave documentation for the pay period, and:

- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave).

Comment: *No exceptions were identified in the procedures performed.*

- b) Observed that supervisors approved the attendance and leave of the selected employees/officials.

Comment: *No exceptions were noted in the procedures performed.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Comment: *No exceptions were noted in the procedures performed.*

8. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/official's cumulative leave records, and agreed the pay rates to the employee/official's authorized pay rates in the employee/officials' personnel files.

Comment: *We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the listing is complete. No exceptions were noted in the procedures performed.*

9. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Comment: *We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines. No exceptions were noted in the procedures performed.*

Other

10. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Comment: *Obtained management's representation that no misappropriations of public funds or assets occurred during the fiscal period.*

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

Comment: *No exceptions were identified in the procedures performed.*

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

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

Carr, Riggs & Ingram, L.L.C

CARR, RIGGS, & INGRAM, LLC
Shreveport, Louisiana
December 31, 2019