

Rapides Parish Police Jury

Alexandria, Louisiana

December 31, 2019

**Rapides Parish Police Jury
Alexandria, Louisiana**

December 31, 2019

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Police Jury (Police Jury), Alexandria, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 *Governmental 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 from material misstatement.

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

Rebecca B. Morris, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Rapides Parish Police Jury, as of December 31, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to in paragraph one present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the Rapides Parish Police Jury, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of changes in total other postemployment benefits (OPEB) liability and related ratios, schedules of employer's share of net pension liability, schedules of employer contributions, and notes to the required supplemental information labeled "Required Supplemental Information" in the table of contents (Part I and Part II) 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 basic financial statements of the Police Jury's primary government. The schedule of taxes collected on behalf of other taxing authorities, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of compensation paid to police jurors 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 schedule of expenditures of federal awards, the schedule of taxes collected on behalf of other taxing authorities, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of compensation paid to police jurors 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



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To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of taxes collected on behalf of other taxing authorities, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of compensation paid to police jurors are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, on our consideration of the Rapides Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Police Jury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Police Jury's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

October 22, 2020

Required Supplemental Information – Part I
Management’s Discussion and Analysis

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) of the Rapides Parish Police Jury's (Police Jury) financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2019, with comparative totals presented for the year ended December 31, 2018. The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Rapides Parish Police Jury's basic financial statements. The accompanying financial statements include only the primary government of the Rapides Parish Police Jury. The financial statements consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Police Jury's legal entity. The financial statements do not include financial data for the Police Jury's legally separate component units.

The primary government basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. In addition, the report includes required and other supplemental information, which is not part of the basic financial statements.

The Rapides Parish Police Jury includes financial information for the Coliseum Enterprise Fund. Effective August 31, 2017, the Police Jury dissolved the Rapides Parish Coliseum Authority and transferred operations back to the Police Jury. In the past, operations of the coliseum were accounted for by the Rapides Parish Coliseum Authority while the assets and debt service were under the Police Jury. All assets, liabilities, and operations are now accounted for in this fund.

Government-Wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Rapides Parish Police Jury's finances, in a manner similar to a private-sector business. The government-wide financial statements distinguish the different functions of the Rapides Parish Police Jury that is principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Rapides Parish Police Jury include general government, public safety, public works, health and welfare, culture and recreation, and economic development. For governmental activities, these statements combine the governmental funds' current financial resources with capital assets and long-term debt obligations. The business-type activities report operations of the Coliseum Enterprise Fund.

The statement of net position presents information on all of the Rapides Parish Police Jury's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them 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 Rapides Parish Police Jury is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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. The focus on the statement of activities is on both the gross and net cost of various activities which are provided by the government's general tax and other revenues. This reporting is intended to summarize information and simplify the user's analysis of the cost of various services.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

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 focus of governmental fund financial statements is on major funds rather than reporting by fund type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Rapides Parish Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: These 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 available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Rapides Parish Police Jury adopts annual appropriated budgets for its general, special revenue, and debt service funds. Budgetary comparison schedules have been provided for the general fund and major special revenue funds to demonstrate legal compliance with these budgets as part of the required supplemental information.

Proprietary Funds: The Police Jury's only proprietary fund is the Coliseum Enterprise Fund. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The principal operating revenues of the Coliseum Enterprise Fund are charges for events and rental of facilities. Operating expenses for the fund include the costs of services, administrative expenses, and depreciation on capital assets.

The Coliseum Enterprise Fund is the same as the business-type activities reported in the government-wide financial statements but provides more detail.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

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. The notes to the financial statements can be found in the Notes to the Basic Financial Statements section of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information and supplemental information*.

Required Supplemental Information as listed in the table of contents (Part 1 and Part II) is 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. Required Supplement Information includes this MD&A, budgetary comparison schedules for the general fund and the major special revenue funds, and various schedules related to the Police Jury's postretirement benefits and retirement systems.

Supplemental Information as listed in the table of contents provides information relative the Police Jury's federal awards and information required by state statute.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Rapides Parish Police Jury, assets exceeded liabilities by \$84.299 million at the close of the most recent year.

A large portion of the Rapides Parish Police Jury's net position reflects its investment in capital assets (land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Rapides Parish Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Police Jury's investment in its capital assets is reported net of related debt, it is not a spendable resource. 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.

Total net position for governmental activities are \$75.418 million and \$8.881 million for business-type activities. The negative \$41.059 million in unrestricted net position of governmental activities represents the accumulated results of all operations including accrued liabilities from other postemployment benefits and pensions. The following table presents, in millions, the comparative statement of net position in a condensed format. The amounts represent combined totals of governmental activities and business-type activities.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

**Condensed Statement of Net Position (in millions)
December 31, 2019**

| | 2018 | 2019 |
|--|-----------|------------|
| Assets | | |
| Current and other assets | \$ 60.418 | \$ 63.760 |
| Capital assets, net | 91.866 | 93.358 |
| Total Assets | 152.284 | \$ 157.118 |
| Deferred outflows of pension resources | 4.728 | 8.190 |
| Liabilities | | |
| Current and other liabilities | 2.872 | 2.675 |
| Long-term liabilities | 68.918 | 76.857 |
| Total Liabilities | 71.790 | 79.532 |
| Deferred inflows of pension resources | 4.296 | 1.477 |
| Net Position | | |
| Net investment in capital assets | 67.058 | 69.892 |
| Restricted | 51.996 | 55.111 |
| Unrestricted (deficit) | (38.129) | (40.704) |
| Total Net Position | \$ 80.925 | \$ 84.299 |

The results of current year's operations for the Police Jury are reported on the statement of activities. The following table presents, condensed comparative financial information (in millions). The amounts represent combined totals of governmental activities and business-type activities.

**Condensed Changes in Net Position (in Millions)
Year ended December 31, 2019**

| | 2018 | 2019 |
|--|-----------|-----------|
| Revenues | | |
| Program revenues | | |
| Charges for services | \$ 7.165 | \$ 7.100 |
| Grants and contributions | 4.895 | 5.550 |
| General revenues | | |
| Ad valorem taxes – general purposes | 2.483 | 2.747 |
| Ad valorem taxes – specific purposes | 21.847 | 22.476 |
| Sales and use taxes – general purposes | 2.204 | 2.298 |
| Sales and use taxes – specific purposes | 3.051 | 3.265 |
| Other taxes and licenses | 3.412 | 3.446 |
| Entitlements and shared revenues | .770 | .723 |
| Investment earnings and change in market value | .053 | .659 |
| Miscellaneous | | 1.055 |
| Gain (loss) on disposition of assets | (.018) | (.027) |
| Total Revenues | \$ 45.862 | \$ 49.292 |

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

| | 2018 | 2019 |
|-------------------------------------|-----------|-----------|
| Expenses | | |
| Governmental activities | | |
| General government | \$ 8.576 | \$ 8.466 |
| Public safety | 16.443 | 18.370 |
| Public works | 9.405 | 9.442 |
| Health and welfare | 2.106 | 2.475 |
| Culture and recreation | .304 | .346 |
| Economic development and assistance | 2.553 | 3.379 |
| Interest and fiscal charges | .166 | .132 |
| Business-type activities | | |
| Coliseum Enterprise Fund | 3.748 | 3.309 |
| Total Expenses | \$ 43.301 | \$ 45.919 |
| Change in Net Position | \$ 2.561 | \$ 3.373 |

Program and general revenues from governmental activities totaled \$49.292 million. Sales taxes received this year were \$5.563 million, an increase of \$0.308 million over the previous year. Ad valorem taxes collected were \$25.223 million, an increase of \$0.893 million over the previous year.

Total expenditures in support of governmental activities were \$42.610 million. Expenditures for public work projects (roads, bridges, etc.) totaled \$9.442 million, an increase of \$0.037 million from the previous year expenditures. Expenditures for public safety totaled \$18.370 million, an increase of \$1.927 million from the previous year.

Financial Analysis of the Government's Funds

As noted earlier, the Rapides Parish Police Jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Rapides Parish Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Rapides Parish Police Jury's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Rapides Parish Police Jury's governmental funds reported combined ending fund balances of approximately \$58.275 million, an increase of \$4.129 million from the previous year. Total fund balance for the general fund is \$4.119 million, an increase of \$0.244 million from the previous year. The unassigned fund balance in the general fund was \$3.187 million, which constitutes an amount which is available for spending at the government's discretion. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Restricted fund balances totaling \$52.584 million are restricted for specific purposes by enabling legislation, such as ad valorem taxes restricted to specific uses as approved by the voters. Committed fund balances totaling \$2.543 million are subject to specific uses as approved by the Police Jurors, and are, therefore, not available for new spending.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

Budgetary Highlights

The major governmental funds of the Rapides Parish Police Jury include those funds presented in Exhibits C and E. Budgetary comparisons for the general fund and each major special revenue fund are presented as required supplemental information in Schedules 1 through 4.

Capital Asset and Debt Administration

Capital Assets: In the government-wide financial statements, capital assets, including general capital assets, are capitalized and depreciated on a straight-line basis over their estimated useful lives. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized. The valuation basis for capital assets is historical cost, or when historical cost is not available, estimated historical cost. Donated capital assets are valued at estimated fair value on the date of donation.

At December 31, 2019, capital assets, net of accumulated depreciation was \$69.159 million for governmental activities and \$24.199 million for business-type activities. Additional information on capital assets can be found in the Notes to the Financial Statements section of this report. The following table shows the combined total capital assets (in millions) for governmental and business-type activities, net of accumulated depreciation, for the years ended December 31, 2018 and 2019:

| | 2018 | 2019 |
|----------------------------|-----------|-----------|
| Land | \$ 6.905 | \$ 7.037 |
| Construction in progress | 3.515 | 3.389 |
| Buildings and improvements | 35.009 | 34.607 |
| Furniture and equipment | 11.069 | 11.027 |
| Infrastructure | 35.368 | 37.298 |
| Total | \$ 91.866 | \$ 93.358 |

Debt Administration: At December 31, 2019, the Rapides Parish Police Jury had total debt outstanding of \$76.857 million. Of this amount, \$19.396 million is comprised of general obligation bonds, \$1.958 million is comprised of certificates on indebtedness, \$2.113 million is comprised of capital lease agreements, \$.462 million in compensated absences, \$52.928 million relating to the recognition of the estimated liabilities for other postemployment benefits and net pension liabilities. Additional information on long-term debt can be found in the note section of this report.

Economic Factors and Next Year's Budgets and Rates

Police Jurors and appointed officials use citizen input and consider many factors when setting the upcoming year's budgets and tax millages. Ad valorem taxes, state revenue sharing, severance taxes, and sales taxes are very important in this process. These sources accounted for the majority of the 2019 revenues. Budgetary estimates for ad valorem taxes and state revenue sharing are based upon expectations of what the tax rolls and approved millages will provide. The Police Jury budgeted the severance and sales tax revenues conservatively for the ensuing year's budgets. Sales tax revenues have continued a slow trend of increasing over the past 20 years and is expected to slowly increase in future years. Severance taxes are primarily controlled by the amount of timber harvested in the parish with some amount of oil activity.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the Rapides Parish Police Jury's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional finance information should be addressed to the Rapides Parish Police Jury, Attn: Treasurer, 701 Murray Street, Suite 201, Alexandria, LA 71301, phone (318) 473-6660.

Basic Financial Statements

**Government-Wide
Financial Statements**

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Net Position
December 31, 2019**

Exhibit A

| | Primary Government | | |
|---|----------------------------|---------------------------------|----------------------|
| | Governmental Activities | Business- Type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 33,854,473 | \$ 257,151 | \$ 34,111,624 |
| Investments | 2,329,818 | - | 2,329,818 |
| Receivables | 23,702,416 | 846,320 | 24,548,736 |
| Prepaid expenses | - | 24,147 | 24,147 |
| Restricted assets | - | 2,745,216 | 2,745,216 |
| Capital assets, net of depreciation, where applicable | | | |
| Nondepreciable | 9,326,109 | 1,100,000 | 10,426,109 |
| Depreciable | 59,833,141 | 23,099,177 | 82,932,318 |
| Total Assets | <u>129,045,957</u> | <u>28,072,011</u> | <u>157,117,968</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflow of pension resources | 8,189,950 | - | 8,189,950 |
| Liabilities | | | |
| Cash overdraft | - | 355,732 | 355,732 |
| Accounts payable and other current liabilities | 1,611,004 | 199,966 | 1,810,970 |
| Accrued expenses | 72,771 | 230,982 | 303,753 |
| Unearned revenues | - | 204,292 | 204,292 |
| Long-term liabilities | | | |
| Due within one year | | | |
| Bonds, certificates of indebtedness, and capital leases | 1,114,793 | 990,000 | 2,104,793 |
| Due in more than one year | | | |
| Bonds, certificates of indebtedness, and capital leases | 4,152,052 | 17,210,000 | 21,362,052 |
| Compensated absences | 462,682 | - | 462,682 |
| Other noncurrent liabilities | | | |
| Postemployment benefit obligations | 37,687,899 | - | 37,687,899 |
| Net pension liabilities | 15,239,743 | - | 15,239,743 |
| Total Liabilities | <u>60,340,944</u> | <u>19,190,972</u> | <u>79,531,916</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflow of pension resources | 1,477,330 | - | 1,477,330 |
| Net Position | | | |
| Net investment in capital assets | 63,892,405 | 5,999,177 | 69,891,582 |
| Restricted | 52,584,210 | 2,527,183 | 55,111,393 |
| Unrestricted (deficit) | (41,058,982) | 354,679 | (40,704,303) |
| Total Net Position | <u>\$ 75,417,633</u> | <u>\$ 8,881,039</u> | <u>\$ 84,298,672</u> |

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Activities
Year Ended December 31, 2019**

Exhibit B

| | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Functions/Programs | | | | | | | |
| Primary Government | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 8,465,607 | \$ 3,106,379 | \$ 2,120,928 | \$ - | \$ (3,238,300) | \$ - | \$ (3,238,300) |
| Public safety | 18,370,322 | 2,614,259 | 507,360 | 104,997 | (15,143,706) | - | (15,143,706) |
| Public works | 9,434,526 | 186,109 | 77,787 | 185,917 | (8,984,713) | - | (8,984,713) |
| Health and welfare | 2,474,504 | 65,976 | 776,560 | - | (1,631,968) | - | (1,631,968) |
| Culture and recreation | 346,234 | 133,693 | 607 | - | (211,934) | - | (211,934) |
| Economic development and assistance | 3,379,575 | 28,981 | 1,647,025 | 36,597 | (1,666,972) | - | (1,666,972) |
| Interest and fiscal charges | 132,045 | - | - | - | (132,045) | - | (132,045) |
| Total Governmental Activities | <u>42,602,813</u> | <u>6,135,397</u> | <u>5,130,267</u> | <u>327,511</u> | <u>(31,009,638)</u> | <u>-</u> | <u>(31,009,638)</u> |
| Business-type activities | | | | | | | |
| Coliseum Enterprise Fund | 3,309,099 | 1,043,185 | 93,147 | - | - | (2,172,767) | (2,172,767) |
| Total Business-Type Activities | <u>3,309,099</u> | <u>1,043,185</u> | <u>93,147</u> | <u>-</u> | <u>-</u> | <u>(2,172,767)</u> | <u>(2,172,767)</u> |
| Total Primary Government | <u>\$ 45,911,912</u> | <u>\$ 7,178,582</u> | <u>\$ 5,223,414</u> | <u>\$ 327,511</u> | <u>(31,009,638)</u> | <u>(2,172,767)</u> | <u>(33,182,405)</u> |
| General Revenues | | | | | | | |
| Taxes | | | | | | | |
| Ad valorem taxes | | | | | | | |
| Levied for general purposes | | | | | 2,746,891 | - | 2,746,891 |
| Levied for specific purposes | | | | | 20,754,828 | 1,839,975 | 22,594,803 |
| Sales and use taxes | | | | | | | |
| Authorized for general purposes | | | | | 2,297,827 | - | 2,297,827 |
| Authorized for specific purposes | | | | | 3,147,075 | - | 3,147,075 |
| Other taxes and licenses | | | | | 3,446,033 | - | 3,446,033 |
| Entitlements and shared revenues | | | | | | | |
| Investment earnings and changes in market value | | | | | 723,467 | - | 723,467 |
| Miscellaneous | | | | | 545,081 | 26,665 | 571,746 |
| Gain (loss) on disposition of assets | | | | | 1,055,733 | - | 1,055,733 |
| | | | | | (27,712) | - | (27,712) |
| Total General Revenues | | | | | <u>34,689,223</u> | <u>1,866,640</u> | <u>36,555,863</u> |
| Change in Net Position | | | | | 3,679,585 | (306,127) | 3,373,458 |
| Net Position, Beginning of Year | | | | | 71,738,048 | 9,187,166 | 80,925,214 |
| Net Position, End of Year | | | | | <u>\$ 75,417,633</u> | <u>\$ 8,881,039</u> | <u>\$ 84,298,672</u> |

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

Fund Financial Statements

**Rapides Parish Police Jury
Alexandria, Louisiana
Balance Sheet
Governmental Funds
December 31, 2019**

Exhibit C

| | <u>General Fund</u> | <u>Road and Bridge Fund</u> | <u>Fire Protection District #2 Fund</u> | <u>911 Communications District</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---------------------------------|---|--|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 933,675 | \$ 1,026,586 | \$ 3,762,111 | \$ 4,106,406 | \$ 24,025,695 | \$ 33,854,473 |
| Investments | 409,843 | 41,580 | 135,668 | 298,288 | 1,444,439 | 2,329,818 |
| Receivables | 3,045,611 | 1,103,507 | 5,196,550 | 368,690 | 13,988,058 | 23,702,416 |
| Total Assets | <u>\$ 4,389,129</u> | <u>\$ 2,171,673</u> | <u>\$ 9,094,329</u> | <u>\$ 4,773,384</u> | <u>\$ 39,458,192</u> | <u>\$ 59,886,707</u> |
| Liabilities and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable and other current liabilities | \$ 270,336 | \$ 51,275 | \$ 123,029 | \$ 339,396 | \$ 826,968 | \$ 1,611,004 |
| Fund Balances | | | | | | |
| Restricted | - | 2,120,398 | 8,971,300 | 4,433,988 | 37,058,525 | 52,584,211 |
| Committed | 931,414 | - | - | - | 1,611,429 | 2,542,843 |
| Unassigned | 3,187,379 | - | - | - | (38,730) | 3,148,649 |
| Total Fund Balances | <u>4,118,793</u> | <u>2,120,398</u> | <u>8,971,300</u> | <u>4,433,988</u> | <u>38,631,224</u> | <u>58,275,703</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,389,129</u> | <u>\$ 2,171,673</u> | <u>\$ 9,094,329</u> | <u>\$ 4,773,384</u> | <u>\$ 39,458,192</u> | <u>\$ 59,886,707</u> |

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2019**

Exhibit D

Total Fund Balances, Governmental Funds **\$ 58,275,703**

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position. 69,159,250

Pension related deferred outflows of resources and deferred inflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities of the Statement of Net Position.

Deferred outflow of pension resources 8,189,950
Deferred inflow of pension resources (1,477,330)

Some liabilities are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the Statement of Net Position.

Bonds, certificates of indebtedness, and capital leases (5,266,845)
Compensated absences (462,682)
Postemployment retirement benefit obligations (37,687,899)
Net pension liabilities (15,239,743)

Interest on long-term debt is accrued in the Statement of Net Position, but not in the fund financial statements. (72,771)

Net Position of Governmental Activities in the Statement of Net Position **\$ 75,417,633**

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

Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2019

| | General Fund | Road and Bridge Fund | Fire Protection District #2 Fund | 911 Communications District | Other Governmental Funds | Exhibit E Total Governmental Funds |
|--|--------------|-------------------------|-------------------------------------|-----------------------------------|--------------------------------|---|
| Revenues | | | | | | |
| Taxes | | | | | | |
| Property taxes | \$ 2,746,891 | \$ - | \$ 5,787,600 | \$ - | \$ 14,849,028 | \$ 23,383,519 |
| Sales and use taxes | 2,297,827 | 2,859,161 | - | - | 406,120 | 5,563,108 |
| Other taxes, penalties, and interest | 664,896 | 425,216 | - | - | - | 1,090,112 |
| Intergovernmental | | | | | | |
| Federal funds | 46,793 | 66,236 | - | - | 3,837,537 | 3,950,566 |
| State funds | 91,972 | 1,133,472 | 168,635 | - | 1,148,093 | 2,542,172 |
| Local funds | - | - | - | - | 245,037 | 245,037 |
| Fines and forfeitures | 3,589 | - | - | - | 666,996 | 670,585 |
| Rents and royalties | 200,000 | 39,682 | - | - | 69,501 | 309,183 |
| Licenses and permits | 1,118,023 | - | - | - | - | 1,118,023 |
| Charges for services | 1,886,360 | 16,530 | - | 2,337,659 | 677,820 | 4,918,369 |
| Investment earnings and changes in market value | 61,462 | 9,103 | 65,206 | 69,584 | 427,296 | 632,651 |
| Other income (loss) | (3,067) | 844,120 | - | - | 211,832 | 1,052,885 |
| Total Revenues | 9,114,746 | 5,393,520 | 6,021,441 | 2,407,243 | 22,539,260 | 45,476,210 |
| Expenditures | | | | | | |
| Current | | | | | | |
| General government | | | | | | |
| Legislative | 382,167 | - | - | - | - | 382,167 |
| Judicial | 1,631,467 | - | - | - | 2,276,235 | 3,907,702 |
| Elections | 262,193 | - | - | - | - | 262,193 |
| Finance and administrative | 1,289,040 | - | - | - | - | 1,289,040 |
| Other | 1,080,457 | - | - | - | 30,955 | 1,111,412 |
| Public safety | 2,580,672 | - | 5,433,585 | 1,742,052 | 5,065,351 | 14,821,660 |
| Public works | - | 3,637,755 | - | - | 3,860,295 | 7,498,050 |
| Health and welfare | 29,409 | - | - | - | 2,161,816 | 2,191,225 |
| Culture and recreation | - | - | - | - | 293,844 | 293,844 |
| Economic development and assistance | 57,421 | - | - | - | 3,255,417 | 3,312,838 |
| Capital outlay | 199,318 | 517,240 | 295,794 | 299,855 | 4,532,374 | 5,844,581 |
| Debt service | | | | | | |
| Principal | - | - | - | 305,411 | 769,835 | 1,075,246 |
| Interest and fiscal charges | - | - | - | 61,523 | 83,340 | 144,863 |
| Total Expenditures | 7,512,144 | 4,154,995 | 5,729,379 | 2,408,841 | 22,329,462 | 42,134,821 |
| Excess (Deficiency) of Revenues over Expenditures | 1,602,602 | 1,238,525 | 292,062 | (1,598) | 209,798 | 3,341,389 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | - | - | - | - | 1,388,669 | 1,388,669 |
| Transfers out | (1,388,669) | - | - | - | - | (1,388,669) |
| Proceeds from long-term debt | - | - | - | - | 650,000 | 650,000 |
| Proceeds from capital leases | - | - | - | - | 33,766 | 33,766 |
| Capital contributions | 30,000 | - | - | - | 74,997 | 104,997 |
| Total Other Financing Sources (Uses) | (1,358,669) | - | - | - | 2,147,432 | 788,763 |
| Net Change in Fund Balances | 243,933 | 1,238,525 | 292,062 | (1,598) | 2,357,230 | 4,130,152 |
| Fund Balances, Beginning of Year | 3,874,860 | 881,873 | 8,679,238 | 4,435,586 | 36,273,994 | 54,145,551 |
| Fund Balances, End of Year | \$ 4,118,793 | \$ 2,120,398 | \$ 8,971,300 | \$ 4,433,988 | \$ 38,631,224 | \$ 58,275,703 |

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2019**

Exhibit F

Net Change in Fund Balances - Governmental Funds **\$ 4,130,152**

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

| | |
|--|-------------|
| Capital outlays | 5,844,581 |
| Depreciation expense included in the Statement of Activities | (3,671,529) |

Governmental funds report proceeds from the disposition of capital assets as revenue. The Statement of Activities reports the gain or loss from the disposition of capital assets (proceeds less basis).

(27,712)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

| | |
|--|-----------|
| Increase (decrease) in deferred outflow of pension resources | 3,461,734 |
| Decrease (increase) in deferred inflow of pension resources | 2,818,937 |

The issuance of long-term debt provides current financial resources to governmental funds but does not have any effect on net position.

| | |
|-------------------|-----------|
| Limited Tax Bonds | (650,000) |
| Capital leases | (33,766) |

Principal payments on bonds, certificates of indebtedness, and capital leases are reported as expenditures in governmental funds. In contrast, the Statement of Activities treats such payments as a reduction in long-term liabilities.

1,075,246

Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds. These timing differences are summarized below:

| | |
|--|-------------|
| Interest expense | 12,817 |
| Compensated absences | 17,971 |
| Other postemployment retirement benefits | (1,516,553) |
| Pension expenses | (8,449,385) |
| On-behalf payments through pension plans | 667,092 |

| | |
|--|---------------------|
| Change in Net Position of Governmental Activities | \$ 3,679,585 |
|--|---------------------|

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Net Position
Proprietary Fund
December 31, 2019**

**Exhibit G
Coliseum
Enterprise Fund**

| Assets | |
|---|--------------|
| Current Assets | |
| Cash and cash equivalents | \$ 257,151 |
| Receivables | 846,320 |
| Prepaid expenses | 24,147 |
| Total Current Assets | 1,127,618 |
| Noncurrent Assets | |
| Restricted Assets | |
| Cash and cash equivalents | 1,877,992 |
| Investments | 59,495 |
| Receivables | 807,729 |
| Total Restricted Assets | 2,745,216 |
| Capital assets | |
| Nondepreciable | |
| Land | 1,100,000 |
| Depreciable | |
| Property, plant and equipment | 24,939,356 |
| Less accumulated depreciation | (1,840,179) |
| Capital assets, net of depreciation, where applicable | 24,199,177 |
| Total Noncurrent Assets | 26,944,393 |
| Total Assets | 28,072,011 |
| Liabilities | |
| Current Liabilities | |
| Cash overdraft | 355,732 |
| Accounts payable and other current liabilities | 199,966 |
| Accrued expenses | 12,949 |
| Unearned revenues | 204,292 |
| Liabilities payable from restricted assets | |
| General obligation bonds | 990,000 |
| Accrued interest | 218,033 |
| Total Current Liabilities | 1,980,972 |
| Noncurrent Liabilities | |
| General obligation bonds | 17,210,000 |
| Total Liabilities | 19,190,972 |
| Net Position | |
| Net investment in capital assets | 5,999,177 |
| Restricted for debt service | 2,527,183 |
| Unrestricted | 354,679 |
| Total Net Position | \$ 8,881,039 |

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended December 31, 2019**

Exhibit H

**Coliseum
Enterprise Fund**

| | |
|---|--------------|
| Operating Revenues | |
| Charges for services | \$ 830,249 |
| Rental income | 212,936 |
| Total Operating Revenues | 1,043,185 |
| Operating Expenses | |
| Personnel services and related benefits | 484,177 |
| Operating supplies and expenses | 1,390,603 |
| Repairs and maintenance | 77,512 |
| Depreciation | 694,688 |
| Total Operating Expenses | 2,646,980 |
| Operating Income (Loss) | (1,603,795) |
| Nonoperating Revenue (Expenses) | |
| Ad valorem taxes | 1,839,975 |
| Operating grants and contributions | 93,147 |
| Investment earnings and changes in market value | 26,665 |
| Interest expense | (662,119) |
| Total Nonoperating Revenue (Expenses) | 1,297,668 |
| Change in Net Position | (306,127) |
| Total Net Position, Beginning of Year | 9,187,166 |
| Total Net Position, End of Year | \$ 8,881,039 |

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2019**

**Exhibit I
(Continued)**

**Coliseum
Enterprise Fund**

Cash Flows from Operating Activities

| | |
|---|--------------------|
| Receipts from customers | \$ 904,386 |
| Payments for personnel costs and benefits | (493,790) |
| Payments to vendors and others | <u>(1,479,965)</u> |
| Net Cash Provided by (Used in) Operating Activities | (1,069,369) |

Cash Flows from Noncapital Financing Activities

| | |
|--|---------------|
| Ad valorem taxes for operations | 850,528 |
| Operating grants and contributions | <u>93,147</u> |
| Net Cash Provided by (Used in) Noncapital Financing Activities | 943,675 |

Cash Flows from Capital and Related Financing Activities

| | |
|---|------------------|
| Ad valorem taxes restricted to debt service | 2,074,302 |
| Acquisition or construction of capital assets | (84,080) |
| Principal paid on capital debt | (950,000) |
| Interest paid on capital debt | <u>(676,025)</u> |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | 364,197 |

Cash Flows from Investing Activities

| | |
|---|---------------|
| Interest received | 26,665 |
| Proceeds from investments | <u>48,682</u> |
| Net Cash Provided by (Used in) Investing Activities | 75,347 |

Net Increase (Decrease) in Cash and Cash Equivalents

313,850

Cash and Cash Equivalents, Beginning of Year

1,465,561

Cash and Cash Equivalents, End of Year

\$ 1,779,411

Classified as

| | |
|----------------|------------------|
| Current | \$ 257,151 |
| Restricted | 1,877,992 |
| Cash overdraft | <u>(355,732)</u> |

Total

\$ 1,779,411

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Cash Flows
Proprietary Fund
Year Ended December 31, 2019**

**Exhibit I
(Concluded)**

**Coliseum
Enterprise Fund**

**Reconciliation of Operating Income (Loss) to
Net Cash Provided by (Used in) Operating Activities**

| | |
|--|----------------|
| Operating income (loss) | \$ (1,603,795) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | |
| Depreciation | 694,688 |
| Changes in assets and liabilities | |
| Receivables | (23,699) |
| Prepaid expenses | 23,062 |
| Accounts payable and other current liabilities | (34,912) |
| Accrued expenses | (9,613) |
| Unearned revenues | (115,100) |

Net Cash Provided by (Used in) Operating Activities

\$ (1,069,369)

Additional required disclosures:

There were no material noncash operating, noncapital financing, capital and related financing, or investing activities for the year ended December 31, 2019.

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Statement of Fiduciary Net Position
Fiduciary Fund Type - Agency Funds
December 31, 2019**

Exhibit J

| | <u>Sales Taxes</u> | <u>Protested Taxes</u> | <u>Hotel-Motel Tax</u> | <u>Renaissance</u> | <u>Senior Citizens</u> | <u>Total Agency Funds</u> |
|---------------------------------|----------------------|------------------------|------------------------|---------------------|------------------------|---------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ - | \$ 641,466 | \$ - | \$ 29,829 | \$ 57,801 | \$ 729,096 |
| Receivables | 13,981,762 | - | - | 1,663,914 | 856,192 | 16,501,868 |
| Total Assets | <u>\$ 13,981,762</u> | <u>\$ 641,466</u> | <u>\$ -</u> | <u>\$ 1,693,743</u> | <u>\$ 913,993</u> | <u>\$ 17,230,964</u> |
| Liabilities | | | | | | |
| Cash overdraft | \$ 13,870 | \$ - | \$ - | \$ - | \$ - | \$ 13,870 |
| Accounts payable | 51,115 | - | - | - | - | 51,115 |
| Due to taxing bodies and others | 13,916,777 | 641,466 | - | 1,693,743 | 913,993 | 17,165,979 |
| Total Liabilities | <u>\$ 13,981,762</u> | <u>\$ 641,466</u> | <u>\$ -</u> | <u>\$ 1,693,743</u> | <u>\$ 913,993</u> | <u>\$ 17,230,964</u> |

The accompanying notes are an integral part of financial statements.

Notes to Basic Financial Statements

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

1. Organization and Significant Accounting Policies

The Rapides Parish Police Jury (Police Jury) is the governing authority for Rapides Parish and is a political subdivision of the State of Louisiana. Nine jurors, representing the various districts within the parish, govern the Police Jury. The jurors serve four-year terms that expire on the second Monday of January. Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants provide funding to accomplish these tasks.

The accompanying financial statements of the Police Jury have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units, except as noted below. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the *Codification for Governmental Accounting and Financial Reporting*.

The accounting and reporting framework and the more significant of the Police Jury's accounting policies are described below.

A. The Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Rapides Parish Police Jury is the financial reporting entity for Rapides Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Police Jury is considered the primary government since it has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Police Jury 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 accompanying financial statements include only the primary government of the Rapides Parish Police Jury. The financial statements consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the Police Jury's legal entity. The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Rapides Parish Police Jury's primary government. As a result, the primary government financial statements do not purport to and do not present fairly the financial position of the reporting entity of the Rapides Parish Police Jury and the changes in financial position in conformity with accounting principles generally accepted in the United States of America.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

B. Basis of Presentation and Accounting

The accounting system is organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Government-Wide Financial Statements

The government-wide financial statements, "*Statement of Net Position*" and "*Statement of Activities*", report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which primarily rely on fees and charges for support. Internal service fund activity, if any, is eliminated to avoid "doubling up" revenues and expenses. Agency funds are excluded from the government-wide financial statements. The Police Jury does not have internal service funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Police Jury's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to a particular function. The Police Jury does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Police Jury's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales taxes, franchise taxes, severance taxes, beer taxes, state revenue sharing, interest, and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Police Jury.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

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

Fund Financial Statements

Fund financial statements report detailed information about the Police Jury. The focus of governmental fund financial statements is on major funds rather than reporting by fund type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balance that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the police jurors. Formal action taken by the Police Jury to establish or rescind committed funds is through adopting a resolution in a public meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. In cases where restricted and unrestricted monies are received by the Police Jury for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The following governmental funds are considered major funds:

General Fund – This is the Police Jury's primary operating fund. The General Fund accounts for all financial resources, except those required to be accounted for in other funds.

Road and Bridge Fund – This fund accounts for repairs and maintenance of roads and bridges throughout the parish. Financing is primarily provided by ad valorem taxes and state revenue sharing funds.

Fire Protection District #2 Fund – This fund accounts for the operations and maintenance of Fire District #2 protecting 43,000 Rapides Parish citizens living in the District's 247 square mile area. Financing is primarily provided by ad valorem taxes and state revenue sharing funds.

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911 Communications District Fund – This fund accounts for overall operations and administration of the parish-wide 911 system. Funding is primarily from telephone surcharges collected in accordance with state statute.

All other governmental funds are considered nonmajor funds.

Revenue Recognition - In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be measurable and available (i.e., collectible with the current period or within 60 days after year end and available to pay obligations in the current period): property taxes, franchise taxes, sales taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash. Reimbursements due for federal and state funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, are deferred until expenditures are made.

Expenditure Recognition - The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus is concerned with determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned, and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Police Jury has one proprietary fund, the Coliseum Enterprise Fund, which is classified as a major enterprise fund.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The principal operating revenues of the Police Jury's Coliseum Enterprise Fund are charges for events and rental of facilities. Operating expenses for the enterprise fund include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Coliseum Enterprise Fund manages the operations of the Rapides Parish Coliseum.

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Notes to Basic Financial Statements

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Rapides Parish Police Jury. The Police Jury accounts for its agency funds in this category. While these funds are under the supervision of the Rapides Parish Police Jury, they belong to other entities and are unavailable for use by the Rapides Parish Police Jury. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds maintained include the following:

Sales Taxes Fund – This fund accounts for the collection and distribution of various sales and use taxes dedicated to the Rapides Parish Police Jury, Rapides Parish School Board, and various other governmental entities within Rapides Parish.

Protested Taxes Fund – The Protested Taxes Fund accounts for taxes held separately until resolution of taxpayer protests. Upon resolution of the protests, funds are either transferred to the appropriate fund or refunded to the taxpayers.

Hotel-Motel Tax Fund – The Hotel-Motel Tax Fund accounts for the collection of a two percent tax levied on all revenues received from the occupancy of hotel and motel rooms located within Rapides Parish and the distribution of the proceeds to the Alexandria/Pineville Area Convention and Visitors Bureau for the promotion of tourism in Rapides Parish. Effective April of 2004, the Greater Alexandria Economic Development Authority levied an additional 3% occupancy tax on hotels, motels, and overnight camping facilities located within the City of Alexandria. Proceeds of this tax, less collection costs, are distributed to the Greater Alexandria Economic Development Authority for economic development for the City of Alexandria.

Renaissance Fund – This fund accounts for the collection and distribution of ad valorem taxes for the operations of the Community Receiving Home, Inc. d/b/a Renaissance Home.

Senior Citizens Fund – This fund accounts for the collection and distribution of ad valorem taxes approved by the voters for agencies providing services to senior citizens.

C. Budgets and Budgetary Accounting

Budgets for governmental funds are adopted annually on the cash basis of accounting. Budgets prepared on the cash basis of accounting are not prepared in accordance with accounting principles generally accepted in the United States of America, which requires that budgets for governmental funds be adopted on the modified accrual basis of accounting. The Budgetary Comparison Schedules included in the Required Supplemental Information – Part II present the budgeted and actual amounts on the cash basis of accounting.

The treasurer prepares preliminary budgets for the ensuing year beginning in October. The finance committee reviews the proposed budgets and makes changes, as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Usually during its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are usually adopted during the regular December meeting, and notice is published in the official journal.

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During the year, the Police Jury receives monthly budget comparison statements that are used as a tool to monitor the operations of the parish. The treasurer proposes necessary budget amendments to the jury when he determines that actual operations are differing materially from those anticipated in the original budget. The Police Jury, in regular session, reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the minutes published in the official journal. Budget comparison statements included in the accompanying required supplemental information include both the original adopted budgets and the final budgets including all subsequent amendments. The variances presented for major fund budget comparison statements compare the final budget to the actual amounts on a cash basis.

The Police Jury exercises budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary. The Police Jury does not utilize encumbrance accounting in its budget practices.

D. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Management considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under laws of the United States.

Investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Police Jury categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment types are valued using Level 1 inputs. Investments are limited to the investments allowed by Louisiana Revised Statute (RS) 33:2955. At year-end and during the year, investments consisted of notes issued by U.S. government agencies including the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, and the Federal National Mortgage Association. If the original maturities of financial instruments exceed 90 days, they are classified as investments.

E. Receivables

Amounts due from individuals, organizations, or other governmental units are recorded as receivables at year-end. Receivables are recognized for ad valorem taxes, sales taxes, assessments, intergovernmental grants, and charges for services.

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

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Notes to Basic Financial Statements

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for 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. Currently, the Police Jury reports deferred outflows related to pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report 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 (revenue) until that time. Currently, the Police Jury reports deferred inflows related to pensions in this category.

G. Internal Balances (Due from/to Other Funds)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the statement of net position and as due from/to other funds in the fund financial statements.

Amounts, if any, reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net position. There were no interfund balances at year-end.

H. Prepaid Expenses

If applicable, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. General capital assets are long-lived assets of the Police Jury as a whole. When purchased, such assets are recorded as expenditures in the governmental funds.

In the government-wide financial statements, capital assets, including general capital assets, are capitalized and depreciated on a straight-line basis over their estimated useful lives. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized. The valuation basis for capital assets is historical cost, or when historical cost is not available, estimated historical cost. Donated capital assets are valued at estimated fair value on date of donation.

Capital assets in the proprietary fund are capitalized in the fund. The valuation basis for proprietary fund capital assets is the same as those used for general capital assets.

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Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. This amount of interest to be capitalized is calculated by offering interest expense incurred from the date of the borrowing until completion of the project with interest on invested proceeds over the same period. No interest was capitalized during the current period.

The minimum capitalization threshold is as follows:

| | |
|-------------------------------------|-------------------------|
| Land | All costs |
| Buildings and building improvements | Greater than \$ 50,000 |
| Furniture and equipment | Greater than \$ 5,000 |
| Infrastructure | Greater than \$ 250,000 |

J. Long-Term Liabilities

Long-term liabilities that are expected to be financed from governmental funds are not reported in the Balance Sheet of the fund financial statements; however, such long-term obligations are reported in the Statement of Net Position in the government-wide financial statements. Interest expense on long-term debt is recognized in the government-wide financial statements as the interest accrues, regardless of when it is due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

K. Compensated Absences

Vested or accumulated vacation leave or compensatory time earned that is expected to be liquidated with expendable, available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of compensated absences not expected to be liquidated with expendable, available financial resources are not reported in the fund financial statements. No accrued current expenditures are reported in the governmental funds, as the amounts are considered immaterial. The full liability and related costs are reported in the government-wide financial statements. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee. Accumulated sick leave is not paid to an employee upon termination. Therefore, no liability has been recorded relating to sick leave benefits.

All employees earn from 80 to 200 hours of vacation leave each year, depending on their length of service with the Rapides Parish Police Jury. Because 160 hours is the maximum amount of vacation leave that can be accumulated, the amount of vacation leave the employee accumulates over this amount is rolled over into their sick leave on their anniversary date.

L. On-Behalf Payments

Certain pension plans in which the Police Jury participates receive non-employer contributions from the State on-behalf of the Police Jury. In the government-wide financial statements, these on-behalf payments are recognized as operating grants and contributions of the applicable function.

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M. Interfund Transactions

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

N. Sales Taxes

The Police Jury collects the following sales and use taxes:

1. A one percent sales and use tax that is dedicated to the Police Jury and various other governmental units. The sales tax ordinance, approved by the voters of Rapides Parish on September 19, 1967, requires the parish's portion of the sales tax to be used to construct and maintain public roads, highways, bridges, and other capital improvements; to pay salaries of parish employees; and for any other lawful purposes, including funding bonds in the manner provided by Louisiana Revised Statutes 33:2721-2734 for capital improvements. The tax was approved for an indefinite period.
2. A one-half percent sales and use tax that is dedicated to the Police Jury and various other governmental units. The sales tax is collected in the area within Rapides Parish that is outside the corporate limits of the cities of Alexandria and Pineville (Sales Tax District No. 3). The sales tax ordinance, initially approved by the voters of Sales Tax District No. 3 on April 3, 1987, and renewed by the voters on May 31, 2012, requires that the Parish's portion of the sales tax be used to construct and maintain public streets, roads, highways, bridges, and drainage. The tax, which was approved for an indefinite period, is recognized as revenue in the Road and Bridge Fund.
3. A one and one-half percent sales and use tax was approved by the voters on May 2, 1987, to be used for salary supplements for all employees of the Rapides Parish School Board and to give additional support for the operation of public schools of Rapides Parish. The tax was approved for an indefinite period.
4. A one percent sales and use tax was approved by the voters on December 6, 2014, to be used for the purpose of acquiring, constructing, maintaining and operating fire protection and emergency medical service facilities, vehicles and equipment, including both movable and immovable property, that are to be used to provide fire protection and medical services in the District (Fire Protection Sales Tax District No. 17). The tax was approved for an indefinite period.
5. A one-half percent sales and use tax was approved by the voters on April 28, 2018, to be used for the purpose of acquiring, constructing, maintaining and operating fire protection and emergency medical service facilities, vehicles and equipment, including both movable and immovable property, that are to be used to provide fire protection and medical services in the District (Fire Protection Sales Tax District No. 18). The tax was approved for an indefinite period.

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Notes to Basic Financial Statements

6. The Police Jury is also authorized to collect and remit to the City of Alexandria (two and one-half percent), the City of Pineville (two and one-half percent), the Town of Glenmora (one and one-half percent), the Town of Boyce (two percent), the Town of Lecompte (one and one-half percent), the Village of Forest Hill (one-half percent), the Town of Woodworth (two percent), the Town of Cheneyville (one percent) and the Town of Ball (two percent) additional sales and use taxes collected within the city limits of those municipalities.
7. Starting in 2003, the Police Jury began collecting a one-half percent sales and use tax approved by the voters on October 5, 2002. The tax is to be used to fund salaries and related benefits for employees of the Rapides Parish Sheriff, and to fund the purchase, lease, operation, and maintenance of vehicles, furniture, fixtures, and equipment for the Rapides Parish Sheriff's office. The tax was approved for an indefinite period.

The Police Jury is entitled to retain a pro-rata portion of all reasonable and necessary costs of administrating and collecting these taxes. The cost associated with collecting the sales taxes is deducted from collections prior to remittance to the various entities.

O. Hotel/Motel Tax

As provided by Louisiana Revised Statute 33:4574.1, the Police Jury has levied a two percent tax on the occupancy of all hotel/motel rooms in the parish. Proceeds of the tax, less collection costs, are distributed to the Alexandria/Pineville Convention and Visitors Bureau for the promotion of tourism in Rapides Parish. In addition, the Greater Alexandria Economic Development Authority levied an additional 3% occupancy tax on hotels, motels, and overnight camping facilities located within the City of Alexandria. Proceeds of this tax, less collection costs, are distributed to the Greater Alexandria Economic Development Authority for economic development for the City of Alexandria. The Hotel-Motel Tax Agency Fund accounts for the collection and distribution of the tax.

P. Estimates

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

Q. Impact of Recently Issued Pronouncements

The GASB approved the following statements that change the accounting and financial reporting by state and local governments. Management is currently evaluating the impact of the future adoption of these statements on the Police Jury's financial statements.

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Statement 84, *Fiduciary Activities*, effective for periods beginning after December 15, 2019, was adopted by GASB in January 2017 regarding the reporting of activities in which a government has a fiduciary responsibility. Management is currently evaluating the impact of the adoption of this statement.

Statement 87, *Leases*, effective for reporting periods beginning after December 15, 2020, was adopted by GASB in June 2017. This pronouncement is predicated on the basic notion that all leases are financings of the right to use an underlying asset. A lease is defined as "a contract that conveys the right to use a nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction." Any contract that meets this definition is accounted for under the lease guidance, unless specifically excluded. Management is currently evaluating the impact of the adoption of this statement.

Statement 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, is effective for periods beginning after June 15, 2019. In March 2018, GASB released an amendment to Statements 34 and 38, aimed at improving disclosures related to debt, including direct borrowings and placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Management is currently evaluating the impact of the adoption of this statement.

2. Excess of Expenditures over Appropriations and Deficit Fund Balances

The following individual governmental funds had expenditures on the budgetary basis exceeding appropriations as approved in the budget:

| | <u>Appropriations</u> | <u>Budgetary Basis Expenditures</u> | <u>Excess</u> |
|-----------------------------------|-----------------------|-------------------------------------|---------------|
| RSCC Transportation Grant Fund | \$ 43,211 | \$ 47,104 | \$ 3,893 |
| State Adult Drug Court Grant Fund | 635,000 | 668,210 | 33,210 |

The following individual nonmajor governmental funds had deficit fund balances at year-end:

| | <u>Deficit</u> |
|---|----------------|
| Criminal Court Fund | \$ 11,173 |
| Watershed Maintenance Fund | 5,818 |
| State Adult Drug Court Grant Fund | 10,974 |
| 9 th JDC Nonsupport Grant Fund | 2,357 |
| RAPC Building Fund | 30,549 |
| | \$ 60,871 |

**Rapides Parish Police Jury
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3. Levied Taxes

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

| | Authorized Millage | Levied Millage | Expiration Date |
|---|-----------------------|-------------------|--------------------|
| Parish-wide taxes: | | | |
| Constitutional | 6.06 | 6.06 | None |
| Senior Citizens - Maintenance | 1.06 | 1.06 | 2026 |
| Health Unit - Maintenance | 1.06 | 1.06 | 2029 |
| Coliseum - Maintenance | 1.00 | 1.00 | 2032 |
| Coliseum - Debt Service | 1.00 | 1.00 | 2032 |
| Juvenile Community Correction Center and Juvenile Detention Home | 2.06 | 2.06 | 2024 |
| District taxes: | | | |
| Fire Districts | 11.96 | 144.25 | 11.96 144.25 |
| Road Maintenance Districts | 5.56 | 90.99 | 5.56 90.99 |
| Buckeye Recreation District | | 6.09 | 6.09 |

The Sheriff of Rapides Parish, as provided by the state law, is the official tax collector of general property taxes levied by the Rapides Parish Police Jury. The 2019 property tax calendar was as follows:

| | |
|-----------------------|-------------------|
| Millage rates adopted | April 8, 2019 |
| Levy date | April 8, 2019 |
| Tax bills mailed | November 9, 2019 |
| Due date | December 31, 2019 |
| Delinquent date | January 1, 2020 |

Tax Abatement

Rapides Parish Police Jury is subject to a number of tax abatement agreements entered into by other governments that reduce the ad valorem tax revenues of Rapides Parish Police Jury. These abatements are based on undepreciated values of various contracts as reported by Louisiana Economic Development and the Rapides Parish Tax Assessor. The total undepreciated property subject to the contracts in effect during the year totaled \$232,168,775. The estimated amount of ad valorem taxes abated through indirect agreements is \$5,903,755.

4. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

At December 31, 2019, the Police Jury had cash and cash equivalents as follows:

| | |
|--------------------------|----------------|
| Unrestricted | |
| Governmental activities | \$ 33,854,473 |
| Business-type activities | <u>257,151</u> |
| Total Unrestricted | \$ 34,111,624 |

**Rapides Parish Police Jury
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Notes to Basic Financial Statements

| | |
|--------------------------|---------------------|
| Restricted | |
| Business-type activities | \$ 1,877,992 |
| Agency Funds | 729,096 |
| Total Restricted | <u>\$ 2,607,088</u> |

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. At year-end, the Police Jury's deposits were covered by depository insurance or collateral held by the Police Jury or its agent in the Police Jury's name.

The Police Jury uses a master bank account for cash management purposes. At year-end, certain individual funds report negative cash balances. These are not bank overdrafts but rather reflect the individual funds allocated share of the master bank accounts deposit balances.

Investments

The Police Jury may invest in United States bonds, treasury notes, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in Louisiana Revised Statute (RS) 33:2955, or any other federally insured investment. At year-end, investments consisted of bonds or notes issued or guaranteed by U.S. government instrumentalities with a Moody rating of AAA and held by the Policy Jury's agent in the Police Jury's name.

The Police Jury categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment types are valued using Level 1 inputs. Maturities are summarized below:

| <u>Maturities in Years</u> | <u>Fair Value</u> |
|----------------------------|---------------------|
| Less than 1 year | \$ - |
| 1 to 5 years | 1,145,765 |
| 6 to 10 years | 992,750 |
| 11 to 15 years | <u>247,018</u> |
| | <u>\$ 2,385,533</u> |

The Police Jury does not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from rising interest rates.

5. Receivables

| | |
|--------------------------|----------------------|
| Governmental activities | \$ 23,702,416 |
| Business-type activities | |
| Unrestricted | 846,320 |
| Restricted | 807,729 |
| Agency Funds | <u>16,501,868</u> |
| | <u>\$ 41,858,333</u> |

**Rapides Parish Police Jury
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Notes to Basic Financial Statements

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Agency Funds</u> | <u>Totals</u> |
|--------------------|------------------------------------|-------------------------------------|-------------------------|----------------------|
| Receivables | | | | |
| Taxes – sales | \$ 536,613 | \$ - | \$ 13,981,762 | \$ 14,518,375 |
| Taxes – ad valorem | 21,033,332 | 1,615,458 | 2,520,106 | 25,168,896 |
| Other | 1,781,165 | 38,591 | - | 1,819,756 |
| Intergovernmental | | | | |
| Federal | 227,981 | - | - | 227,981 |
| State | 122,492 | - | - | 122,492 |
| Local | 833 | - | - | 833 |
| | <u>\$ 23,702,416</u> | <u>\$ 1,654,049</u> | <u>\$ 16,501,868</u> | <u>\$ 41,858,333</u> |

6. Due From/To Other Funds and Transfers

Due From/To Other Funds

There were no amounts due from or to other funds at year-end. Interfund balances represent either routine charges for goods and services or permanent (non-loan) transfers from one fund to another. These balances are settled periodically.

Transfers

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> |
|----------------------------|---------------------|---------------------|
| Criminal Court Fund | General Fund | \$ 1,285,875 |
| Watershed Maintenance Fund | General Fund | 91,010 |
| Civil Defense Fund | General Fund | 10,000 |
| Litter Court Fund | General Fund | 1,784 |
| | | <u>\$ 1,388,669</u> |

The transfers are movements of money from one fund to another. These can be required by law or merely serve as a means to finance activities in the receiving fund. Transfers are not loans; therefore, the receiving funds do not make repayment.

7. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

| | <u>Balance, Beginning of Year</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, End of Year</u> |
|---|---|------------------|--------------------|---------------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land and improvements | \$ 5,805,141 | \$ 131,813 | \$ - | \$ 5,936,954 |
| Construction in progress | <u>3,515,360</u> | <u>3,258,747</u> | <u>(3,384,952)</u> | <u>3,389,155</u> |
| Total capital assets not being depreciated | 9,320,501 | 3,390,560 | (3,384,952) | 9,326,109 |

**Rapides Parish Police Jury
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Notes to Basic Financial Statements

| | <u>Balance, Beginning of Year</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, End of Year</u> |
|---|---|------------------|------------------|---------------------------------|
| Capital assets being depreciated | | | | |
| Buildings and improvements | 29,864,113 | 668,768 | - | 30,532,881 |
| Furniture and equipment | 30,420,534 | 1,958,141 | (979,727) | 31,398,948 |
| Infrastructure | <u>357,113,668</u> | <u>3,212,062</u> | <u>-</u> | <u>360,325,730</u> |
| Total capital assets being depreciated | 417,398,315 | 5,838,971 | (979,727) | 422,257,559 |
| Less: | | | | |
| Accumulated depreciation | | | | |
| Buildings and improvements | 17,688,385 | 516,830 | - | 18,205,215 |
| Furniture and equipment | 20,270,262 | 1,873,716 | (952,015) | 21,191,963 |
| Infrastructure | <u>321,746,257</u> | <u>1,280,983</u> | <u>-</u> | <u>323,027,240</u> |
| Total accumulated depreciation | <u>359,704,904</u> | <u>3,671,529</u> | <u>(952,015)</u> | <u>362,424,418</u> |
| Total capital assets being depreciated, net | <u>57,693,411</u> | <u>2,167,442</u> | <u>(27,712)</u> | <u>59,833,141</u> |
| Governmental Activities Capital Assets, Net | \$ 67,013,912 | \$ 5,558,002 | \$ (3,412,664) | \$ 69,159,250 |

Depreciation expense was charged to functions as follows:

| | |
|--|--------------|
| Governmental Activities | |
| General government | \$ 215,654 |
| Public safety | 1,724,536 |
| Public works | 1,585,094 |
| Health and welfare | 108,275 |
| Culture and recreation | 37,021 |
| Economic development and assistance | <u>949</u> |
| Total Depreciation Expense for Governmental Activities | \$ 3,671,529 |

| | <u>Balance, Beginning of Year</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, End of Year</u> |
|--|---|------------------|------------------|---------------------------------|
| Business-Type Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land and improvements | \$ 1,100,000 | \$ - | \$ - | \$ 1,100,000 |
| Total capital assets not being depreciated | 1,100,000 | - | - | 1,100,000 |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 23,830,513 | 41,904 | - | 23,872,417 |
| Furniture and equipment | <u>1,066,939</u> | <u>-</u> | <u>-</u> | <u>1,066,939</u> |
| Total capital assets being depreciated | 24,897,452 | 41,904 | - | 24,939,356 |

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| | <u>Balance, Beginning of Year</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, End of Year</u> |
|---|---|------------------|------------------|---------------------------------|
| Less: | | | | |
| Accumulated depreciation | | | | |
| Buildings and improvements | 996,928 | 596,288 | - | 1,593,216 |
| Furniture and equipment | <u>148,563</u> | <u>98,400</u> | - | <u>246,963</u> |
| Total accumulated depreciation | <u>1,145,491</u> | <u>694,688</u> | - | <u>1,840,179</u> |
| Total capital assets being depreciated, net | <u>23,751,961</u> | <u>(652,784)</u> | - | <u>23,099,177</u> |
| Governmental Activities Capital Assets, Net | \$ 24,851,961 | \$ (652,784) | \$ - | \$ 24,199,177 |

Depreciation was charged to functions as follows:

| | |
|--------------------------|------------|
| Business-Type Activities | |
| Coliseum Enterprise Fund | \$ 694,688 |

In the government-wide and proprietary fund financial statements, capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|----------------------------|---------------|
| Infrastructure | 30 – 70 years |
| Buildings and improvements | 20 – 40 years |
| Furniture and Equipment | 5 – 20 years |

A summary of significant budgeted construction or renovation projects is presented below:

| | <u>Project Authorization</u> | <u>Expended to Date</u> | <u>Commitment</u> | <u>Required Further Financing</u> |
|---------------------------------------|----------------------------------|-----------------------------|-------------------|---|
| Fire District #7 – training center | \$ 150,000 | \$ 107,024 | \$ 42,976 | None |
| Fire District #7 - training classroom | 50,000 | 31,093 | 18,907 | None |
| Various road and bridge projects | 4,575,452 | 2,537,013 | 2,038,439 | None |
| Fire District #2 – fire engine | 454,317 | 224,242 | 230,075 | None |
| Tower upgrades for 9-1-1 District | 326,290 | 208,691 | 117,599 | None |
| Fire District #9 – metal building | 62,000 | 61,184 | 816 | None |
| Buckeye recreational - backstops | 85,650 | 27,010 | 58,640 | None |
| Elevators | 300,000 | 36,895 | 263,105 | None |
| Fire District #11 - fire engine | 395,799 | 100,000 | 295,799 | None |
| Recorder system for 9-1-1 District | <u>56,004</u> | <u>56,004</u> | - | None |
| | \$ 6,455,512 | \$ 3,389,156 | \$ 3,066,356 | |

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8. Compensated Absences, Capitalized Leases, Certificates of Indebtedness, and Public Improvement Bonds

General Obligation Liabilities

General obligation liabilities are direct obligations and pledge the full faith and credit of the Police Jury. These liabilities include compensated absences, capitalized leases, certificates of indebtedness, and public improvement bonds.

Compensated Absences

Compensated absences represent accumulated and vested employee vacation leave benefits computed in accordance with accounting principles generally accepted in the United States of America. The liability for compensated absences is computed only at the end of each fiscal year. Compensated absences are paid by the fund that pays the salaries related to the liability.

Capital Leases

The Police Jury incurred various capital lease obligations for the acquisition of equipment for the General Fund and various Special Revenue Funds. The related fund provides debt service for the capital leases. Equipment acquired by capital leases is included in capital assets. The related capital lease obligations are included in long-term liabilities.

Certificates of Indebtedness

The Police Jury issued certificates of indebtedness for:

- Constructing, improving, and maintaining public roads, highways, and bridges. Various road maintenance district special revenue funds provide debt service for these certificates.
- Construction of fire protection facilities or large equipment acquisitions. Various fire protection district special revenue funds provide debt service for these certificates.

Public Improvement Bonds

The Police Jury issued public improvement and general obligation bonds for paying all or part of the cost for certain capital improvements, and improving, renovating, and repairing the Rapides Parish Coliseum. The Police Jury pledged revenue from sales tax and ad valorem collections to pay debt service on these bonds.

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A summary of long-term debt at year-end is presented below:

| | <u>Maturity Dates</u> | <u>Interest Rates</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|---------------------------------|---------------------------|---------------------------|------------------------------------|-------------------------------------|
| Governmental activities | | | | |
| Compensated absences | | | \$ 462,682 | \$ - |
| Capital leases | Various | 2.48 - 5.79% | 2,112,844 | - |
| Certificates of indebtedness | | | | |
| Road District 1-B (2014) | 06/24/24 | 2.29% | 480,000 | - |
| Fire District #15 (2014) | 03/01/24 | 2.21% | 385,000 | - |
| Fire District #3 (2017) | 03/01/23 | 2.47% | 837,000 | - |
| Fire District #6 (2017) | 06/24/24 | 2.75% | 80,000 | - |
| Fire District #7 (2017) | 06/24/24 | 3.61% | 176,000 | - |
| Public improvement bonds | | | | |
| Public Improvement Bonds (2012) | 12/01/21 | 2.18% | 195,000 | - |
| Public Improvement Bonds (2018) | 12/01/27 | 1.00 - 5.00% | 351,000 | - |
| Limited Tax Bonds (2019) | 03/01/29 | 1.00 - 3.90% | 650,000 | - |
| Business-type activities | | | | |
| Enterprise Funds | | | | |
| Public improvement bonds | | | | |
| General Obligation Bonds (2013) | 03/01/33 | 3.00 - 5.00% | - | 18,200,000 |
| Totals | | | 5,729,526 | 18,200,000 |
| Current portion | | | (1,114,793) | (990,000) |
| Totals | | | \$ 4,614,733 | \$ 17,210,000 |

During the year ended December 31, 2019, the following changes occurred in governmental activities long-term debt:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Within One Year</u> |
|--------------------------------|------------------------------|-------------------|-----------------------|---------------------------|----------------------------|
| Governmental Activities | | | | | |
| Long-Term Debt | | | | | |
| Compensated absences | \$ 480,653 | \$ - | \$ (17,971) | \$ 462,682 | \$ - |
| Capital leases | 2,513,325 | 33,765 | (434,246) | 2,112,844 | 425,793 |
| Certificates of indebtedness | 2,464,000 | - | (506,000) | 1,958,000 | 512,000 |
| Public improvement bonds | 681,000 | 650,000 | (135,000) | 1,196,000 | 177,000 |
| | <u>\$ 6,138,978</u> | <u>\$ 683,765</u> | <u>\$ (1,093,217)</u> | <u>\$ 5,729,526</u> | <u>\$ 1,114,793</u> |

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The annual requirements to amortize governmental activities capital leases, certificates of indebtedness, and public improvement bond obligations payable as of December 31, 2019, are as follows:

| <u>Year Ending December 31,</u> | <u>Principal Payments</u> | <u>Interest Payments</u> |
|---------------------------------|-------------------------------|------------------------------|
| 2020 | \$ 1,114,793 | \$ 146,924 |
| 2021 | 1,147,402 | 110,796 |
| 2022 | 1,050,045 | 80,579 |
| 2023 | 769,641 | 55,528 |
| 2024 | 645,963 | 35,484 |
| 2025-2029 | <u>539,000</u> | <u>44,562</u> |
| | \$ 5,266,844 | \$ 473,873 |

During the year ended December 31, 2019, the following changes occurred in business-type activities long-term debt:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Within One Year</u> |
|--|------------------------------|------------------|-------------------|---------------------------|----------------------------|
| Business-type Activities Long-Term Debt Public improvements bonds | \$ 19,150,000 | \$ - | (950,000) | \$ 18,200,000 | \$ 990,000 |

The annual requirements to amortize business-type activities public improvement bond obligations payable as of December 31, 2019, are as follows:

| <u>Year Ending December 31,</u> | <u>Principal Payments</u> | <u>Interest Payments</u> |
|---------------------------------|-------------------------------|------------------------------|
| 2020 | \$ 990,000 | \$ 636,100 |
| 2021 | 1,030,000 | 590,550 |
| 2022 | 1,070,000 | 538,050 |
| 2023 | 1,115,000 | 483,425 |
| 2024 | 1,160,000 | 432,350 |
| 2025 - 2029 | 6,560,000 | 1,515,200 |
| 2030 - 2033 | <u>6,275,000</u> | <u>416,350</u> |
| | \$ 18,200,000 | \$ 4,612,025 |

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In accordance with Louisiana Revised Statute 39:562, the Police Jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. At December 31, 2019, the statutory limit was \$103,797,206.

9. Changes in Agency Funds

Changes in amounts due to taxing bodies and others are summarized below:

| | |
|-------------------------------------|---------------|
| Balance, Beginning of Year | \$ 16,372,409 |
| Additions | |
| Ad valorem taxes | 2,804,915 |
| Sales tax collections | 139,638,444 |
| Occupational licenses | 4,582,650 |
| Other | 85,829 |
| Interest earned | 10,405 |
| Total Additions | 147,122,243 |
| Reductions | |
| Operating expenses | 1,945,680 |
| Settled to taxing bodies and others | 144,382,993 |
| Total Reductions | 146,328,673 |
| Balance, End of Year | \$ 17,165,979 |

10. Taxes Collected on Behalf of Other Taxing Authorities

In compliance with Louisiana Revised Statute 24:513(B)(3), taxes collected on behalf of other taxing authorities is presented in Supplemental Information Schedule 19.

11. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan description

The Police Jury's single employer defined benefit OPEB plan provides certain continuing health care benefits for its retired employees. Substantially all Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury and elect to receive these benefits. Medical and pharmacy benefits for retirees and similar benefits for active employees are provided through insurance companies whose monthly premiums are paid jointly by retirees or employees and the Police Jury. Pre-age sixty-five (65) coverage is provided through the Choice Plus plan administered by United Health. Medicare eligible coverage is provided through Humana. Coverage continues for the life of the retiree. Benefit provisions were established by the Police Jury and may be amended by the Police Jury. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

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Participants hired prior to January 1, 2007, are eligible for medical and pharmacy benefits upon retirement at age sixty-five (65) with at least seven (7) years of service, at age sixty (60) with at least ten (10) years of service, at age fifty-five (55) with at least twenty-five (25) years of service, and at any age with at least thirty (30) years of service. Participants hired on or after January 1, 2007, are eligible for medical and pharmacy benefits upon retirement at age sixty-seven (67) with at least seven (7) years of service, at age sixty-two (62) with at least ten (10) years of service, and at age fifty-five (55) with at least thirty (30) years of service. Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits.

Benefits provided

The Police Jury provides medical and pharmacy benefits for retirees and their dependents through insurance companies. The Police Jury contributes most of the cost of the health insurance and, if elected, for the eligible dependents of the retiree. The retiree pays the balance. Contribution rates vary based on several factors including age, Medicare, and options selected. The plan provisions and contribution rates are contained in the official plan documents.

Employees covered by benefit terms

The following table summarizes active and retiree demographic information for the medical plan as of December 31, 2019:

| | Employee Only | Employee & Dependents | Total |
|---------|------------------|--------------------------|-------|
| Active | 146 | 141 | 287 |
| Retired | 56 | 42 | 98 |
| | 202 | 183 | 385 |

Total OPEB Liability

The Police Jury's total OPEB liability of \$37,687,899 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------|--|
| Actuarial Method | Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary |
| Salary Increases | 3.50% |
| Inflation | 3.00% |
| Discount Rate | 4.10% (1.10% real rate of return plus 3.00% inflation) |

**Rapides Parish Police Jury
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| | |
|-------------------------|--|
| Health Care Cost Trend | Level 5.00% |
| Retirees' Contributions | The retiree contributes the balance of the health insurance cost above the subsidy made by the Police Jury. The contribution rate varies by coverage tier and pre-65 and 65+. The individual coverage monthly contribution rate is \$65 for pre-65 and \$10 for 65+. For retiree and spouse coverage the monthly contribution rate is \$213 for pre-65 and \$20 for 65+. |
| Mortality | RPH-2014 Total Table with Projection MP-2018 |

The discount rate was selected by reviewing the Bond Buyer GO-20 bond index. This index is published weekly and trending around 4.00%. The actuary selected 4.10% as the discount rate for the valuation.

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Changes for the year | |
| Service cost | \$ 1,406,481 |
| Interest | 1,455,445 |
| Changes in benefit terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions and other inputs | - |
| Benefit payments | (1,345,373) |
| Net changes | 1,516,553 |
| Balance at January 1, 2019 | 36,171,346 |
| Balance at December 31, 2019 | \$ 37,687,899 |

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

The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

| | 1% Decrease (3.10%) | Discount Rate (4.10%) | 1% Increase (5.10%) |
|----------------------|------------------------|-----------------------------|------------------------|
| Total OPEB liability | \$ 32,323,599 | \$ 37,687,899 | \$ 44,359,162 |

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

The following presents the total OPEB liability of the Police Jury, as well as what the Police Jury's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current healthcare cost trend rates:

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| | 1% Decrease (4.00%) | Healthcare Cost Trend Rate (5.00%) | 1% Increase (6.00%) |
|----------------------|------------------------|---|------------------------|
| Total OPEB liability | \$ 31,707,757 | \$ 37,687,899 | \$ 45,510,924 |

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

For the year ended December 31, 2019, the Police Jury recognized an OPEB expense of \$2,861,926. At December 31, 2019, there were no deferred outflows of resources or deferred inflows of resources related to OPEB to report.

12. Retirement Systems

The Rapides Parish Police Jury contributes to the Parochial Employees' Retirement System of Louisiana (PERS), Registrar of Voters Employees' Retirement System (ROVERS), District Attorneys' Retirement System (DARS), and Firefighters' Retirement System (FRS).

The following recap shows the total deferred outflows and inflows of pension resources and net pension liability, as reported in the Statement of Net Position, for each of these plans. More detail information for each of these plans is presented following the recap.

| | Deferred Outflows of Pension Resources | Deferred Inflows of Pension Resources | Net Pension Liability (Asset) |
|--------|---|--|----------------------------------|
| PERS | \$ 5,281,592 | \$ 354,208 | \$ 5,814,065 |
| ROVERS | 118,598 | 40,115 | 132,059 |
| DARS | 375,472 | 231,823 | 535,190 |
| FRS | 2,414,288 | 851,184 | 8,758,429 |
| | \$ 8,189,950 | \$ 1,477,330 | \$ 15,239,743 |

A. Parochial Employees' Retirement System of Louisiana (PERS)

General Information about the Pension Plan

Plan Description

Qualifying employees of Rapides Parish Police Jury are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Parochial Employees' Retirement System of Louisiana (PERS). PERS was established and provided for by Sections 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (LRS. 11:1901-2025). PERS 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 elect to become members of PERS. 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 Police Jury only participates in Plan A. The information below applies only to Plan A.

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

PERS issues a publicly available financial report that is available for download at www.persla.org.

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.

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

Benefits Provided

1. Retirement

Normal Retirement

Any member of Plan A can retire providing the member meets one of the following criteria. Members hired prior to January 1, 2007, may retire at the earliest of age sixty-five (65) with a minimum of seven (7) years of creditable service, age sixty (60) with a minimum of ten (10) years of creditable service, age fifty-five (55) with twenty-five (25) years of creditable service, or at any age with thirty (30) years or more of creditable service. Members hired after January 1, 2007, may retire at the age of sixty-seven (67) with seven (7) years of service, age sixty-two (62) with ten (10) years of service, or age fifty-five (55) with thirty (30) years of service.

Benefit Formula – Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three (3.00%) 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.

2. 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.

3. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, any member of Plan A and who is eligible to retire may elect to participate in the Deferred Retirement Option Program (DROP) in which they are enrolled for three (3) years and defer the receipt of benefits. During participation, 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.

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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 DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP 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 PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the PERS, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

4. Disability Retirement 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 (5) years of creditable service or if hired after January 1, 2007, has seven (7) 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 (3.00%) percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen (15) , or three (3.00%) percent multiplied by years of service assuming continued service to age sixty (60).

5. Cost-of-Living Increases

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed two (2.00%) percent of the retiree's original benefit for each full calendar year since retirement 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 (65) equal to two (2.00%) percent 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 two and a half (2.50%) percent for retirees sixty-two (62) and older. (RS11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual two and a half (2.50%) percent cost of living adjustment commencing at age fifty-five (55).

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Contributions

According to state statute, contributions for all employees are actuarially determined each year. For the plan 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 11.50%. Contributions to the pension plan from the Police Jury were \$935,155 for the Police Jury's fiscal year ended December 31, 2019.

According to state statute, the PERS also receives one-fourth of one percent of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The PERS 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.

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

At December 31, 2019, the Rapides Parish Police Jury reported a liability of \$5,814,065 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of December 31, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the valuation date of December 31, 2018, the Police Jury's proportion was 1.30996%, which was a decrease of 0.08387% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the Police Jury recognized pension expense of \$2,250,024, including amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions.

At December 31, 2019, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 354,208 |
| Changes of assumptions | 1,453,707 | - |
| Net difference between projected and actual earnings on pension plan investments | 2,783,212 | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 109,518 | - |

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| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Employer contributions subsequent to the measurement date | 935,155 | - |
| Total | \$ 5,281,592 | \$ 354,208 |

The \$935,155 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as an increase in the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | | | |
|---------------------------------|--|----|-----------|
| 2020 | | \$ | 1,389,472 |
| 2021 | | | 764,939 |
| 2022 | | | 608,335 |
| 2023 | | | 1,229,483 |

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018 are as follows:

| | |
|----------------------------------|--|
| Valuation Date | December 31, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 4 years |
| Investment Rate of Return | 6.50% net of investment expenses, including inflation |
| 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. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants. |
| Inflation Rate | 2.40% |
| Salary Increases | 4.75% |

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Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living expenses. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the PERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (CAPM) (top-down), a treasury yield curve approach (bottom-up) and an equity building-block method (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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the plan year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|--------------------------|---|
| Fixed Income | 35% | 1.22% |
| Equity | 52% | 3.45% |
| Alternatives | 11% | 0.65% |
| Real Assets | 2% | <u>0.11%</u> |
| | | 5.43% |
| Inflation | | <u>2.00%</u> |
| Expected Arithmetic Nominal Return | | 7.43% |

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

The following presents the Employer's proportionate share of the Net Pension Liability (Asset) using the discount rate of 6.50%, as well as what the Employer's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

| | 1.0% Decrease (5.50%) | Current Discount Rate (6.50%) | 1.0% Increase (7.50%) |
|---|--------------------------|----------------------------------|--------------------------|
| Employer's proportionate share of the net pension liability (asset) | \$ 12,347,512 | \$ 5,814,065 | \$ 352,668 |

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 Police Jury 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 December 31, 2019, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$88,789 for its participation in PERS.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS 2018 Annual Financial Report at www.persla.org.

B. Registrar of Voters Employees' Retirement System (ROVERS)

General Information about the Pension Plan

Plan Description

Certain qualified employees of the Police Jury are provided with retirement benefits through a cost-sharing multiple-employer defined benefit plan administered by the Registrar of Voters Employees' Retirement System of Louisiana (ROVERS). ROVERS was established on January 1, 1955, for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies, and their permanent employees in each parish. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through ROVERS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. ROVERS issues a publicly available financial report that is available for download at www.la.gov.

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Benefits Provided

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

1. Retirement

Normal Retirement

Any member hired prior to January 1, 2013, is eligible for normal retirement after twenty (20) years of creditable service and is age fifty-five (55) or has ten (10) years of creditable service and is age sixty (60). Any member with thirty (30) years of creditable service, regardless of age, may retire. Regular retirement benefits for members hired prior to January 1, 2013, are calculated at 3.33% of the average annual earned compensation for the highest consecutive sixty (60) months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member hired on or after January 1, 2013, is eligible for normal retirement after he has attained thirty (30) years of creditable service and is age fifty-five (55); has attained twenty (20) years of creditable service and is age sixty (60); or has attained ten (10) years of creditable service and is age sixty-two (62). Regular retirement benefits for members hired on or after January 1, 2013, are calculated at 3.00% of the average annual earned compensation for the highest consecutive sixty (60) months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation. Retirement benefits for members hired on or after January 1, 2013, that have attained thirty (30) years of creditable service with at least twenty (20) years in ROVERS, are calculated at 3.33% of the average annual compensation for the highest consecutive sixty (60) months multiplied by the number of years of creditable service, not to exceed 100% of average annual compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty (60) years, who shall have completed ten (10) or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of sixty (60) years.

2. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member with ten (10) or more years of service at age sixty (60), twenty (20) or more years of service at age fifty-five (55), or thirty (30) or more years of service at any age may elect to participate in the Deferred Retirement Option Program (DROP) for up to three (3) years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the ROVERS terminates. 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. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of ROVERS has been terminated for at least one full year.

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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 any other method of payment if approved by the Board of Trustees. The monthly benefits that were paid into the DROP fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease, and the person resumes active contributing membership in ROVERS.

3. Disability Retirement Benefits

Disability benefits are provided to active contributing members with at least ten (10) years of service established in the ROVERS and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty (60) years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty (60) shall be entitled to a disability benefit equal to the lesser of 3.00% of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen (15) years) or 3.33% of the average final compensation multiplied by the years of service assuming continued service to age sixty (60). Disability benefits may not exceed two-thirds of earnable compensation.

4. Survivor Benefits

If a member who has less than five (5) years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five (5) or more years of credited service and is not eligible to retire, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with Option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five (5) or more years of creditable service, the surviving minor children under eighteen (18) or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with ten (10) or more years of service, automatic Option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

5. Cost-of-Living Adjustments

The Board is authorized to provide an annual cost-of-living increase of 2.00% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty (60) and have been retired at least one year. Funding criteria for granting cost-of-living adjustments is dependent on the funded ratio.

Contributions

According to state statute, contributions requirements for all employers are actuarially determined each year. For the plan year ended June 30, 2019, the actual employer contribution rate was 17.48%. Contributions to the pension plan from the Police Jury were \$16,725 for the year ended December 31, 2019.

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In accordance with state statute, ROVERS also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the plan year ended June 30, 2019.

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

At December 31, 2019, the Rapides Parish Police Jury reported a liability of \$132,059 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Police Jury's proportion was 0.70619%, which was an increase of 0.03763% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Police Jury recognized pension expense of \$39,015 including amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions.

At December 31, 2019, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 32,576 |
| Changes of assumptions | 19,548 | 7,539 |
| Net difference between projected and actual earnings on pension plan investments | - | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 90,415 | - |
| Employer contributions subsequent to the measurement date | <u>8,631</u> | <u>-</u> |
| Total | \$ 118,594 | \$ 40,115 |

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The \$8,631 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31</u> | | |
|--------------------------------|----|--------|
| 2020 | \$ | 34,662 |
| 2021 | | 16,441 |
| 2022 | | 14,623 |
| 2023 | | 4,126 |

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:

| | |
|-----------------------|------------------|
| Valuation Date | June 30, 2019 |
| Actuarial Cost Method | Entry Age Normal |

Actuarial Assumptions:

| | |
|----------------------------------|--|
| Expected Remaining Service Lives | 2019 – 5 years 2018 – 5 years 2017 – 5 years 2016 – 5 years 2015 – 5 years |
| Investment Rate of Return | 6.50% net of investment expenses |
| Mortality | RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries; RP-2000 Disabled Lives Mortality Table for disabled annuitants. |
| Inflation Rate | 2.40% |
| Salary Increases | 6.00% |
| Cost of Living Adjustments | 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 values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. |

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During the year ended June 30, 2019, mortality assumptions were set after reviewing an experience study performed on plan data for the period from July 1, 2009, through June 30, 2014. The data was assigned credibility weightings and combined with a standard table to produce current levels of mortality. The mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.83% for the plan year ended June 30, 2019.

Best estimates of arithmetic real rates of return for each major asset class based on the ROVERS' target asset allocation as of June 30, 2019, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|--------------------------|---|
| Domestic Equities | 40.0% | 3.00% |
| International Equities | 20.0% | 1.70% |
| Domestic Fixed Income | 12.5% | 0.31% |
| International Fixed Income | 10.0% | 0.35% |
| Alternatives | 10.0% | 0.63% |
| Real Estate | 7.5% | 0.34% |
| Inflation | | <u>2.50%</u> |
| Expected Arithmetic Nominal Return | | 8.83% |

Discount Rate

The discount rate used to measure the total pension liability was 6.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the ROVERS' actuary. Based on those assumptions, the ROVERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 6.50%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

| | <u>1.0% Decrease (5.50%)</u> | <u>Current Discount Rate (6.50%)</u> | <u>1.0% Increase (7.50%)</u> |
|---|----------------------------------|--|----------------------------------|
| Employer's proportionate share of the net pension liability | \$ 222,778 | \$ 132,059 | \$ 54,195 |

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 Police Jury 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 December 31, 2019, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$19,894 for its participation in ROVERS.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ROVERS 2019 Annual Financial Report at www.lla.la.gov.

C. District Attorneys' Retirement System (DARS)

General Information about the Pension Plan

Plan Description

The District Attorneys' Retirement System (DARS), State of Louisiana is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The DARS was established on August 1, 1956, and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. The DARS has issued a stand-alone audit report on their financial statements for the plan year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district

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attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

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

1. Retirement

Normal Retirement

Members who joined the DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have ten (10) or more years of creditable service and are at least age sixty-two (62), or if they have eighteen (18) or more years of service and are at least age sixty (60), or if they have twenty-three (23) or more years of service and are at least age fifty-five (55), or if they have thirty (30) years of service regardless of age. The normal retirement benefit is equal to 3.00% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age sixty (60) if they have at least ten (10) years of creditable service or at age fifty-five (55) with at least eighteen (18) years of creditable service. Members who retire prior to age sixty (60) with less than twenty-three (23) years of service credit, receive a retirement benefit reduced 3.00% for each year of age below age sixty (60). Members who retire prior to age sixty-two (62) who have less than eighteen (18) years of service receive a retirement benefit reduced 3.00% for each year of age below sixty-two (62). Retirement benefits may not exceed 100% of final average compensation.

Members who joined the DARS after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age sixty (60) and have ten (10) years of service credit, are age fifty-five (55) and have twenty-four (24) years of service credit, or have thirty (30) years of service credit regardless of age. The normal retirement benefit is equal to 3.50% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age fifty-five (55) and has eighteen (18) years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3.00% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the DARS.

2. Deferred Retirement Option Program (DROP)

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

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The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of thirty-six (36) months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest-bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to thirty-six months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to one-half of 1.00%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

3. Disability Retirement Benefits

Disability benefits are awarded to active contributing members with at least ten (10) years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3.00% (3.50% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen (15) years) or projected continued service to age sixty (60).

4. Survivor Benefits

Upon the death of a member with less than five (5) years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five (5) or more years of service or any member with twenty-three years (23) of service who has not retired, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under eighteen or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

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5. Cost-of-Living Adjustments

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3.00% of their original benefit, (not to exceed \$60 per month) and all retired members and surviving beneficiaries who are sixty-five (65) years of age and older a 2.00% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A+B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, the DARS must meet certain criteria detailed in the statute related to funding status and interest earnings.

Contributions

According to state statute, contributions requirements for all employers are actuarially determined each year. For the plan year ended June 30, 2019, the actual employer contribution rate was 2.65%. Contributions to the pension plan from the Police Jury were \$29,853 for the year ended December 31, 2019.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2019.

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

At December 31, 2019, the Rapides Parish Police Jury reported a liability of \$535,190 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Police Jury's proportion was 1.66361%, which was a decrease of 0.43082% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Police Jury recognized pension expense of \$284,431 including amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions.

At December 31, 2019, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 2,300 | \$ 167,041 |
| Changes of assumptions | 243,758 | 17,651 |
| Net difference between projected and actual earnings on pension plan investments | 75,055 | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 31,148 | 47,131 |
| Employer contributions subsequent to the measurement date | <u>23,211</u> | <u>-</u> |
| Total | \$ <u>375,472</u> | \$ <u>231,823</u> |

The \$23,211 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|-----------|
| 2020 | \$ 60,364 |
| 2021 | 15,031 |
| 2022 | 23,335 |
| 2023 | 52,987 |
| 2024 | (31,279) |

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:

| | |
|----------------------------------|-------------------------|
| Valuation Date | June 30, 2019 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 6 years – June 30, 2019 |
| | 6 years – June 30, 2018 |
| | 7 years – June 30, 2017 |
| | 7 years – June 30, 2016 |
| | 6 years – June 30, 2015 |
| | 6 years – June 30, 2014 |

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| | |
|----------------------------|--|
| Investment Rate of Return | 6.50% net of investment expenses, including inflation |
| Mortality | RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set-back one year for females) projected to 2032 using Scale Assistance were selected for employees, annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table (set-back five years for males and three years for females) for disabled annuitants. |
| Salary Increases | 5.50% (3.10% Merit/2.40% Inflation) |
| Cost of Living Adjustments | Only those previously granted. |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the DARS's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.56% for the plan year ended June 30, 2019.

Best estimates of arithmetic real rates of return for each major asset class based on the DAR's target asset allocation as of June 30, 2019, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------------|--------------------------|---|
| Estimated real rate of return | | |
| Equities | 48.42% | 5.13% |
| Fixed Income | 40.10% | 1.65% |
| Alternatives | 10.99% | 0.78% |
| Cash | 0.49% | 0.00% |
| System total nominal rates of return | | 5.07% |
| Inflation | | <u>2.49%</u> |
| Expected arithmetic nominal return | | 7.56% |

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the DARS's actuary. Based on those assumptions, the DARS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 6.50%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

| | 1.0% Decrease (5.50%) | Current Discount Rate (6.50%) | 1.0% Increase (7.50%) |
|---|--------------------------|----------------------------------|--------------------------|
| Employer's proportionate share of the net pension liability | \$ 1,457,805 | \$ 535,190 | \$ (250,418) |

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 Police Jury 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 December 31, 2019, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$183,454 for its participation in DARS.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued DARS 2019 Annual Financial Report at www.lla.la.gov.

D. Firefighters' Retirement System (FRS)

General Information about the Pension Plan

Plan Description

The FRS is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. The FRS provides retirement, disability, and death benefits for their members.

**Rapides Parish Police Jury
Alexandria, Louisiana
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Notes to Basic Financial Statements

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by Louisiana Revised Statutes (R.S.) 11:2251–11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements

Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the FRS consists of full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and is employed by a fire department of any municipality, parish, or fire protection district of the state of Louisiana, except for Orleans Parish and the City of Baton Rouge.

No person who has attained age fifty (50) or over shall become a member of the FRS unless the person becomes a member by reason of a merger or unless the FRS received an application for membership before the applicant attained the age of fifty (50). No person who has not attained the age of eighteen (18) years shall become a member of the FRS.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of FRS, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with FRS, or for any other purpose in order to attain eligibility or increase the amount of service credit in FRS.

Benefits Provided

1. Retirement Benefits

Employees with twenty (20) or more years of service who have attained age fifty (50), or employees who have twelve (12) years of service who have attained age fifty-five (55), or twenty-five (25) years of service at any age are entitled to annual pension benefits equal to 3.33% of their average final compensation based on the thirty-six (36) consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

See R.S. 11:2256(A) for additional details on retirement benefits.

**Rapides Parish Police Jury
Alexandria, Louisiana
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Notes to Basic Financial Statements

2. Disability Benefits

A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five (5) years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

3. Death Benefits

Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

4. Deferred Retirement Option Program (DROP)

After completing twenty (20) years of creditable service and attaining the age of fifty (50), or twenty-five (25) years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to thirty-six (36) months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the thirty-six (36) months, the participant resumes regular contributions to the FRS. No payments may be made from the DROP account until the participant retires.

5. Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to thirty-six (36) months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

6. Cost of Living Adjustments (COLAs)

Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3.00% of their current benefit, and all retired members and widows who are sixty-five (65) years of age and older a 2.00% increase in their original benefit. In order for the board to grant either of these increases, the FRS must meet certain criteria detailed in the statute related to funding status and interest

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the system's fiscal year end preceding the payment of the benefit increase. If there are not sufficient funds to fund the benefit at the rate of one dollar per year for such total number of years, then the rate shall be reduced in proportion to the amount of funds that are available to fund the cost-of-living adjustment.

Contributions

Contribution requirements for employers, non-employer contributing entities, and employees are established and may be amended in accordance with Title 11 and Title 22 of the Louisiana Revised Statutes. Contributions to the pension plan from the Police Jury were \$945,575 for the year ended December 31, 2019.

According to state statute, employer contributions are actuarially determined each year. For the plan year ended June 30, 2019, employer and employee contributions for members above the poverty line were 26.50% and 10.00%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.50% and 8.00%, respectively.

According to state statute, the System receives insurance premium assessments from the state of Louisiana. The assessment is considered support from non-employer contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2019, and were excluded from pension expense.

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

At December 31, 2019, the Rapides Parish Police Jury reported a liability of \$8,758,429 for its proportionate share of the Net Pension Liability (NPL). The Net Pension Liability was measured as of June 30, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Police Jury's proportion was 1.39868%, which was an increase of 0.06695% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Police Jury recognized pension expense of \$1,824,049 including amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions.

At December 31, 2019, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 631,783 |
| Changes of assumptions | 796,804 | 637 |
| Net difference between projected and actual earnings on pension plan investments | 588,980 | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 536,791 | 218,764 |
| Employer contributions subsequent to the measurement date | <u>491,713</u> | <u>-</u> |
| Total | \$ 2,414,288 | \$ 851,184 |

The \$491,713 reported as deferred outflows of resources related to pensions resulting from the Police Jury contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | |
|---------------------------------|------------|
| 2020 | \$ 442,508 |
| 2021 | (21,146) |
| 2022 | 274,030 |
| 2023 | 208,533 |
| 2024 | 85,862 |
| 2025 | 81,604 |

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:

| | |
|----------------------------------|------------------------|
| Valuation Date | June 30, 2019 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 7 years, closed period |

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

| | |
|----------------------------|--|
| Investment Rate of Return | 7.15% net of investment expenses (decreased from 7.30% used in 2018) |
| Inflation Rate | 2.50% per annum (decreased from 2.70% used in 2018) |
| Salary Increases | Varies from 14.75% in the first two years of service to 4.50% with 25 or more years of service; includes inflation and merit increases |
| Cost of Living Adjustments | For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included. |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the FRS's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term expected arithmetic nominal rate of return was 7.94% as of June 30, 2019.

Best estimates of arithmetic real rates of return for each major asset class based on the FRS's target asset allocation as of June 30, 2019, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Equities | | |
| U.S. equity | 21.50% | 5.98% |
| Non-U.S. equity | 17.50% | 7.52% |
| Global equity | 10.00% | 6.59% |
| Fixed Income | 31.00% | 2.17% |
| Alternatives | | |
| Real estate | 6.00% | 4.14% |
| Private equity | 4.00% | 10.52% |
| Multi-asset Strategies | | |
| Global tactical asset allocation | 5.00% | 4.37% |
| Risk parity | 5.00% | 4.67% |

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the FRS's actuary. Based on those assumptions, the FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.15%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

| | 1.0% Decrease (6.15%) | Current Discount Rate (7.15%) | 1.0% Increase (8.15%) |
|---|--------------------------|----------------------------------|--------------------------|
| Employer's proportionate share of the net pension liability | \$ 12,682,795 | \$ 8,758,429 | \$ 5,464,611 |

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 Police Jury 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 December 31, 2019, the Police Jury recognized revenue as a result of support received from non-employer contributing entities of \$374,954 for its participation in FRS.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS 2019 Annual Financial Report at www.la.gov.

13. Defined Contribution Pension Plan

A defined contribution pension plan is available to employees. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. The Police Jury does not contribute to the plan except for one employee and the Police Jurors who do not qualify for membership in any of the defined benefit plans discussed above and who elect to participate in the plan. The plan is administered by National Association of County Officials. Benefit terms, including contribution requirements, for the plan are established and may be amended by the Police Jury. All employer and employee contributions and earnings are immediately vested.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

For the employee, the Police Jury contributed an average of 27.13% of earnings which was the same amount that would have been contributed to the Firefighters Retirement System if the employee had been eligible to participate in that system. For the Police Jurors, the contribution rate was 6.20% of earnings.

For the year ended December 31, 2019, employee contributions totaled \$137,581 and the Police Jury recognized pension expense of \$16,262.

14. Police Jury as Lessor

On August 1, 2017, the Police Jury entered into a formal lease agreement with the Louisiana Workforce Commission to lease 3,546 square feet of usable space located at 5610 B Coliseum Blvd., Alexandria, Louisiana. The carrying amount of the leased space is approximately \$510,000. This lease will terminate on July 31, 2022. Total income from this lease totaled \$67,000 for the current fiscal year.

Future minimum rentals to be received under this lease are:

| | | |
|------|----|----------------|
| 2020 | \$ | 67,000 |
| 2021 | | 67,000 |
| 2022 | | <u>39,083</u> |
| | \$ | <u>173,083</u> |

15. Net Position and Fund Balances

Restricted Net Position/Fund Balances

Restricted net position/fund balances represent those portions of net position in the government-wide financial statement or fund balance in the fund financial statements that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Net position/fund balance is restricted for the following purposes:

| | | |
|-------------------------------------|----|-------------------|
| Governmental Activities | | |
| Public safety – fire protection | \$ | 20,219,934 |
| Public works – roads and bridges | | 28,913,680 |
| Health and welfare | | 3,244,403 |
| Culture and recreation | | 178,086 |
| Debt service | | <u>28,107</u> |
| Total Governmental Activities | | 52,584,210 |
| Business-Type Activities | | |
| Debt service | | <u>2,527,183</u> |
| Total Restricted | \$ | <u>55,111,393</u> |

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

Committed Fund Balances

Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the police jurors. Formal action taken by the Police Jury to establish or rescind committed funds is through adopting a resolution in a public meeting. These amounts are included in unrestricted net position in the government-wide financial statements.

Fund balances are committed for the following activities:

| | |
|----------------------|---------------|
| General government | \$ 1,291,198 |
| Public safety | 240,645 |
| Public works | 444,679 |
| Health and welfare | 302,506 |
| Economic development | 233,622 |
| Debt service | <u>30,194</u> |
| | \$ 2,542,844 |

16. Criminal Court Fund

Louisiana Revised Statute 15:571 11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the Police Jury's General Fund. The Police Jury does not transfer the balances due at year-end to the General Fund because the Police Jury appropriates funds in excess of this amount on an annual basis. Accordingly, this amount, if any, has not been recorded as a liability of the Criminal Court Fund or as a receivable of the General Fund.

17. Risk Management

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

With the exception of general liability and errors and omissions insurance coverage, which have not been obtained, the Police Jury carries commercial insurance for all the aforementioned risks of loss. In accordance with state law, the Police Jury is not required to carry general liability insurance. By statute, the Policy Jury is only required to pay liability claims if the jurors specifically appropriate funds to settle specific claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

18. Commitments and Contingencies

Lawsuits

At December 31, 2019, the Police Jury is involved in numerous lawsuits. There could be unreported claims of which legal counsel and management are unaware. The ultimate outcome cannot presently be determined, therefore, no provision for any liability that may arise from settlement of these lawsuits is included in the accompanying financial statements.

**Rapides Parish Police Jury
Alexandria, Louisiana
December 31, 2019**

Notes to Basic Financial Statements

Arbitrage Interest

Management has not calculated the possible rebate of arbitrage interest, as of December 31, 2019, on each of the recent tax-exempt bond issues. The contingent liability, simply stated, is the interest earned from the investment of unspent bond proceeds that is in excess of the amount of earnings that would have been obtained had the investment rate been equal to the yield on the bonds. Since the rebate calculation is a cumulative calculation performed when all proceeds have been expended, management believes that the amount of the contingent liability for arbitrage interest, if any, will be eliminated in future years. In the event that the contingent liability for arbitrage interest is not eliminated, the Police Jury will be liable for remittance of the rebate amount, as subsequently calculated, to the federal government.

Grant Audit

The Police Jury receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

19. Subsequent Events

Subsequent to the financial statement date but prior to issuance of this report, Rapides Parish, Louisiana was impacted by the COVID-19 pandemic and the Louisiana governor's stay-at-home orders. Sales tax revenue through September 2020 for Rapides Parish is down approximately 2.9% from the same period in the prior year. Additionally, Rapides Parish Coliseum was forced to cancel events from late March 2020 to the present, resulting in loss of event revenue for much of the 2020 year.

In August and October 2020, the Parish suffered extensive damage due to Hurricanes Laura and Delta, respectively. Storm cleanup and recovery efforts continue. The Police Jury intends to seek federal assistance to help cover eligible expenses.

Required Supplemental Information – Part II

Rapides Parish Police Jury
Alexandria, Louisiana
General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019

Schedule 1

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) (See Note 1) | Variance with Final Budget Favorable (Unfavorable) |
|--|---------------------|---------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property taxes | \$ 2,458,393 | \$ 2,530,201 | \$ 2,533,936 | \$ 3,735 |
| Sales and use taxes | 2,254,844 | 2,254,844 | 2,295,869 | 41,025 |
| Other taxes, penalties, and interest | 665,000 | 665,000 | 665,509 | 509 |
| Intergovernmental | | | | |
| Federal funds | 100,000 | 100,000 | 46,793 | (53,207) |
| State funds | 85,500 | 85,500 | 91,972 | 6,472 |
| Fines and forfeitures | 1,500 | 1,500 | 2,464 | 964 |
| Rents and royalties | 200,000 | 200,000 | 200,000 | - |
| Licenses and permits | 1,024,183 | 1,024,183 | 1,118,023 | 93,840 |
| Charges for services | 1,713,935 | 1,725,221 | 2,027,784 | 302,563 |
| Investment earnings | 500 | 30,500 | 42,236 | 11,736 |
| Miscellaneous | 2,000 | 2,000 | (5,260) | (7,260) |
| Total Revenues | <u>8,505,855</u> | <u>8,618,949</u> | <u>9,019,326</u> | <u>400,377</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| Legislative | 346,545 | 386,545 | 381,758 | 4,787 |
| Judicial | 1,860,377 | 1,672,377 | 1,664,637 | 7,740 |
| Elections | 268,375 | 268,375 | 260,416 | 7,959 |
| Finance and administrative | 1,190,869 | 1,190,869 | 1,194,211 | (3,342) |
| Other | 1,791,307 | 1,847,309 | 1,232,020 | 615,289 |
| Public safety | 2,258,516 | 2,472,516 | 2,535,243 | (62,727) |
| Health and welfare | 31,384 | 32,986 | 31,191 | 1,795 |
| Economic development and assistance | 58,752 | 58,752 | 57,421 | 1,331 |
| Capital outlay | - | - | 169,318 | (169,318) |
| Total Expenditures | <u>7,806,125</u> | <u>7,929,729</u> | <u>7,526,215</u> | <u>403,514</u> |
| Excess (Deficiency) of Revenues over Expenditures | 699,730 | 689,220 | 1,493,111 | 803,891 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (1,612,480) | (1,612,480) | (1,330,716) | 281,764 |
| Net Change in Fund Balance, Budgetary Basis | <u>\$ (912,750)</u> | <u>\$ (923,260)</u> | 162,395 | <u>\$ 1,085,655</u> |
| Fund Balance, Beginning of Year | | | <u>3,874,860</u> | |
| Fund Balance, End of Year | | | 4,037,255 | |
| Reconciling items - see below | | | <u>81,538</u> | |
| Fund Balance, End of Year - GAAP Basis (Exhibit C) | | | <u>\$ 4,118,793</u> | |
| Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances | | | | |
| Net change in fund balance - budgetary basis | | | \$ 162,395 | |
| Accrued revenues | | | 167,410 | |
| Accrued expenditures | | | <u>(85,872)</u> | |
| Net Change in Fund Balance - GAAP Basis (Exhibit E) | | | <u>\$ 243,933</u> | |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Road and Bridge Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019**

Schedule 2

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) (See Note 1) | Variance with Final Budget Favorable (Unfavorable) |
|--|-------------------------|---------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Sales and use taxes | \$ 2,730,881 | \$ 2,730,881 | \$ 2,861,040 | \$ 130,159 |
| Other taxes, penalties, and interest | 350,000 | 350,000 | 425,216 | 75,216 |
| Intergovernmental | | | | |
| Federal funds | 110,000 | 110,000 | 66,236 | (43,764) |
| State funds | 1,100,000 | 1,100,000 | 1,134,041 | 34,041 |
| Rents and royalties | - | - | 39,682 | 39,682 |
| Charges for services | 8,500 | 8,500 | 16,305 | 7,805 |
| Investment earnings | - | - | 7,335 | 7,335 |
| Miscellaneous | - | - | 96,917 | 96,917 |
| Total Revenues | 4,299,381 | 4,299,381 | 4,646,772 | 347,391 |
| Expenditures | | | | |
| Current | | | | |
| Public works | 4,319,381 | 4,937,396 | 3,649,529 | 1,287,867 |
| Capital outlay | - | - | 517,240 | (517,240) |
| Total Expenditures | 4,319,381 | 4,937,396 | 4,166,769 | 770,627 |
| Net Change in Fund Balance, Budgetary Basis | \$ (20,000) | \$ (638,015) | 480,003 | \$ 1,118,018 |
| Fund Balance, Beginning of Year | | | 881,873 | |
| Fund Balance, End of Year | | | 1,361,876 | |
| Reconciling items - see below | | | 758,522 | |
| Fund Balance, End of Year - GAAP Basis (Exhibit C) | | | \$ 2,120,398 | |
| Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances | | | | |
| Net change in fund balance - budgetary basis | | | \$ 480,003 | |
| Accrued revenues | | | 746,748 | |
| Accrued expenditures | | | 11,774 | |
| Net Change in Fund Balance - GAAP Basis (Exhibit E) | | | \$ 1,238,525 | |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Fire Protection District #2 Fund
Budgetary Comparison Schedule
Year Ended December 31, 2019**

Schedule 3

| | <u>Budgeted Amounts</u> | | Actual Amounts (Budgetary Basis) (See Note 1) | Variance with Final Budget Favorable (Unfavorable) |
|--|-------------------------|-----------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Taxes | | | | |
| Property taxes | \$ 5,220,636 | \$ 5,220,636 | \$ 5,281,922 | \$ 61,286 |
| Intergovernmental | | | | |
| State funds | 170,000 | 170,000 | 168,635 | (1,365) |
| Investment earnings | 10,000 | 10,000 | 58,846 | 48,846 |
| Total Revenues | <u>5,400,636</u> | <u>5,400,636</u> | <u>5,509,403</u> | <u>108,767</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 9,044,097 | 9,311,420 | 5,157,155 | 4,154,265 |
| Capital outlay | - | - | 295,794 | (295,794) |
| Total Expenditures | <u>9,044,097</u> | <u>9,311,420</u> | <u>5,452,949</u> | <u>3,858,471</u> |
| Net Change in Fund Balance, Budgetary Basis | <u>\$ (3,643,461)</u> | <u>\$ (3,910,784)</u> | 56,454 | <u>\$ 3,967,238</u> |
| Fund Balance, Beginning of Year | | | <u>8,679,238</u> | |
| Fund Balance, End of Year | | | 8,735,692 | |
| Reconciling items - see below | | | <u>235,608</u> | |
| Fund Balance, End of Year - GAAP Basis (Exhibit C) | | | <u>\$ 8,971,300</u> | |
| Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances | | | | |
| Net change in fund balance - budgetary basis | | | \$ 56,454 | |
| Accrued revenues | | | 341,676 | |
| Accrued expenditures | | | <u>(106,068)</u> | |
| Net Change in Fund Balance - GAAP Basis (Exhibit E) | | | <u>\$ 292,062</u> | |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
911 Communications District
Budgetary Comparison Schedule
Year Ended December 31, 2019**

Schedule 4

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) (See Note 1) | Variance with Final Budget Favorable (Unfavorable) |
|--|-----------------------|-----------------------|--|---|
| | Original | Final | | |
| Revenues | | | | |
| Fees, charges, and commissions for services | \$ 2,497,775 | \$ 2,497,775 | \$ 2,331,617 | \$ (166,158) |
| Investment earnings | 4,000 | 4,000 | 48,905 | 44,905 |
| Total Revenues | <u>2,501,775</u> | <u>2,501,775</u> | <u>2,380,522</u> | <u>(121,253)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 5,048,157 | 6,555,900 | 1,732,016 | 4,823,884 |
| Capital outlay | - | - | 299,855 | (299,855) |
| Debt service | 366,934 | 366,934 | 366,934 | - |
| Total Expenditures | <u>5,415,091</u> | <u>6,922,834</u> | <u>2,398,805</u> | <u>4,524,029</u> |
| Net Change in Fund Balance, Budgetary Basis | <u>\$ (2,913,316)</u> | <u>\$ (4,421,059)</u> | (18,283) | <u>\$ 4,402,776</u> |
| Fund Balance, Beginning of Year | | | <u>4,435,586</u> | |
| Fund Balance, End of Year | | | 4,417,303 | |
| Reconciling items - see below | | | <u>16,685</u> | |
| Fund Balance, End of Year - GAAP Basis (Exhibit C) | | | <u>\$ 4,433,988</u> | |
| Reconciliation to the Statement of Revenues, Expenditures, and Changes in Fund Balances | | | | |
| Net change in fund balance - budgetary basis | | | \$ (18,283) | |
| Accrued revenues | | | 26,720 | |
| Accrued expenditures | | | <u>(10,035)</u> | |
| Net Change in Fund Balance - GAAP Basis (Exhibit E) | | | <u>\$ (1,598)</u> | |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Changes in
Total Other Postemployment Benefits (OPEB) Liability
and Related Ratios**

| | Schedule 5 | |
|--|-------------------|-------------------|
| | 12/31/2019 | 12/31/2018 |
| Changes for the year | | |
| Service cost | \$ 1,406,481 | \$ 1,351,086 |
| Interest | 1,455,445 | 1,450,914 |
| Changes in benefit terms | - | - |
| Difference between expected and actual experience | - | - |
| Changes in assumptions or other inputs | - | - |
| Benefit payments | (1,345,373) | (1,335,440) |
| Net change in total OPEB liability | 1,516,553 | 1,466,560 |
| Total OPEB liability - beginning of year | 36,171,346 | 34,704,786 |
| Total OPEB liability - end of year | \$ 37,687,899 | \$ 36,171,346 |
| | | |
| Covered-employee payroll | \$ 11,048,728 | \$ 11,048,728 |
| | | |
| Total OPEB liability as a percentage of covered-employee payroll | 341.11% | 327.38% |

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Parochial Employees' Retirement System (PERS)**

Schedule 6

| | <u>12/31/2015</u> | <u>12/31/2016</u> | <u>12/31/2017</u> | <u>12/31/2018</u> | <u>12/31/2019</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 1.36688% | 1.37071% | 1.36479% | 1.39383% | 1.30996% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 373,716 | \$ 3,608,106 | \$ 2,810,811 | \$ (1,034,570) | \$ 5,814,065 |
| Employer's Covered-Employee Payroll | \$ 7,663,309 | \$ 7,800,492 | \$ 8,129,074 | \$ 8,562,410 | \$ 8,098,601 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 4.88% | 46.25% | 34.58% | -12.08% | 71.79% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 99.15% | 92.23% | 94.15% | 101.98% | 88.86% |
| The amounts presented have a measurement date of: | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 |

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 Parochial Employees' Retirement System (PERS)**

Schedule 7

| | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|------------|--|---|---|--|--|
| 12/31/2019 | \$ 930,426 | \$ 930,426 | \$ - | \$ 8,090,661 | 11.50% |
| 12/31/2018 | \$ 931,288 | \$ 931,288 | \$ - | \$ 8,098,601 | 11.50% |
| 12/31/2017 | \$ 1,070,305 | \$ 1,070,305 | \$ - | \$ 8,562,410 | 12.50% |
| 12/31/2016 | \$ 1,044,019 | \$ 1,044,152 | \$ 133 | \$ 8,030,916 | 13.00% |
| 12/31/2015 | \$ 1,131,071 | \$ 1,131,071 | \$ - | \$ 7,800,492 | 14.50% |

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Parochial Employees' Retirement System (PERS)
For the Year Ended December 31, 2019**

Schedule 8

Changes in Benefit Terms include:

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

Changes of Assumptions

The discount rate used to measure the total pension liability for the plan year ended December 31, 2018 was 6.50%, as compared to the discount rate used for the the plan year ended December 31, 2017 of 6.75%, a decrease of 0.25%.

Projected salary increases used to measure the total pension liability for the plan year ended December 31, 2018, was 4.75% for Plan A, as compared to the rate used for the plan year ended December 31, 2017 of 5.25%, an decrease of 0.50%.

The inflation rate used to measure the total pension liability for the plan year ended December 31, 2018, was 2.40%, as compared to the inflation rate used for the plan year ended December 31, 2017 of 2.50%, a decrease of 0.10%.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Registrar of Voters Employees' Retirement System (ROVERS)**

Schedule 9

| | <u>12/31/2015</u> | <u>12/31/2016</u> | <u>12/31/2017</u> | <u>12/31/2018</u> | <u>12/31/2019</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 0.62340% | 0.66251% | 0.68579% | 0.66856% | 0.70619% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 152,673 | \$ 187,989 | \$ 150,539 | \$ 157,809 | \$ 132,059 |
| Employer's Covered-Employee Payroll | \$ 82,926 | \$ 91,005 | \$ 94,460 | \$ 93,000 | \$ 95,167 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 184.11% | 206.57% | 159.37% | 169.69% | 138.77% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 76.86% | 73.98% | 80.51% | 80.57% | 84.83% |
| The amounts presented have a measurement date of: | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 Registrar of Voters Employees' Retirement System (ROVERS)**

Schedule 10

| | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|------------|--|---|---|--|--|
| 12/31/2019 | \$ 16,725 | \$ 16,725 | \$ - | \$ 95,664 | 17.48% |
| 12/31/2018 | \$ 15,859 | \$ 15,859 | \$ - | \$ 93,286 | 17.00% |
| 12/31/2017 | \$ 17,311 | \$ 17,311 | \$ - | \$ 93,609 | 18.49% |
| 12/31/2016 | \$ 19,873 | \$ 19,873 | \$ - | \$ 93,584 | 21.24% |
| 12/31/2015 | \$ 21,326 | \$ 21,326 | \$ - | \$ 91,172 | 23.39% |

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Registrar of Voters Employees' Retirement System (ROVERS)
For the Year Ended December 31, 2019**

Schedule 11

Changes in Benefit Terms include:

The cost of living increase for the plan year ended June 30, 2019, was 2.00%, as compared to the rate used for the plan year ended June 30, 2018 of 2.50%, an decrease of 0.50%.

Changes of Assumptions

There were no changes in assumptions for the plan year ended June 30, 2019.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
District Attorneys' Retirement System (DARS)**

Schedule 12

| | <u>12/31/2015</u> | <u>12/31/2016</u> | <u>12/31/2017</u> | <u>12/31/2018</u> | <u>12/31/2019</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 2.05562% | 2.46700% | 2.05163% | 2.09443% | 1.66361% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 110,727 | \$ 472,202 | \$ 553,369 | \$ 673,972 | \$ 535,190 |
| Employer's Covered-Employee Payroll | \$ 1,082,220 | \$ 1,352,786 | \$ 1,247,724 | \$ 1,272,159 | \$ 1,097,757 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 10.23% | 34.91% | 44.35% | 52.98% | 48.75% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 98.56% | 95.09% | 93.75% | 95.09% | 93.13% |
| The amounts presented have a measurement date of: | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |

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

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Employer Contributions
 District Attorneys' Retirement System (DARS)**

Schedule 13

| | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|------------|--|---|---|--|--|
| 12/31/2019 | \$ 29,853 | \$ 29,853 | \$ - | \$ 1,127,162 | 2.65% |
| 12/31/2018 | \$ 7,080 | \$ 7,080 | \$ - | \$ 1,209,991 | 0.59% |
| 12/31/2017 | \$ - | \$ - | \$ - | \$ 1,359,149 | 0.00% |
| 12/31/2016 | \$ 24,570 | \$ 24,570 | \$ - | \$ 1,387,597 | 1.77% |
| 12/31/2015 | \$ 66,252 | \$ 66,252 | \$ - | \$ 1,271,852 | 5.21% |

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
District Attorneys' Retirement System (DARS)
For the Year Ended December 31, 2019**

Schedule 14

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended June 30, 2019.

Changes of Assumptions

There were no changes in assumptions for the plan year ended June 30, 2019.

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Firefighters' Retirement System (FRS)**

Schedule 15

| | <u>12/31/2015</u> | <u>12/31/2016</u> | <u>12/31/2017</u> | <u>12/31/2018</u> | <u>12/31/2019</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Employer's Proportion of the Net Pension Liability (Asset) | 1.33488% | 1.39187% | 1.33064% | 1.33173% | 1.39868% |
| Employer's Proportionate Share of the Net Pension Liability (Asset) | \$ 7,204,514 | \$ 9,104,075 | \$ 7,627,016 | \$ 7,660,244 | \$ 8,758,429 |
| Employer's Covered-Employee Payroll | \$ 2,846,844 | \$ 3,164,735 | \$ 3,114,035 | \$ 3,178,267 | \$ 3,388,350 |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 253.07% | 287.67% | 244.92% | 241.02% | 258.49% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 72.45% | 68.16% | 73.55% | 74.76% | 73.96% |
| The amounts presented have a measurement date of: | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Employer Contributions
Firefighters' Retirement System (FRS)**

Schedule 16

| | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|------------|--|---|---|--|--|
| 12/31/2019 | \$ 945,575 | \$ 945,575 | \$ - | \$ 3,485,318 | 27.13% |
| 12/31/2018 | \$ 871,839 | \$ 871,839 | \$ - | \$ 3,289,957 | 26.50% |
| 12/31/2017 | \$ 807,113 | \$ 807,113 | \$ - | \$ 3,372,990 | 23.93% |
| 12/31/2016 | \$ 826,577 | \$ 818,287 | \$ (8,290) | \$ 3,147,529 | 26.00% |
| 12/31/2015 | \$ 851,193 | \$ 849,889 | \$ (1,304) | \$ 3,017,648 | 28.16% |

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

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Notes to Required Supplemental Information
Firefighters' Retirement System (FRS)
For the Year Ended December 31, 2019**

Schedule 17

Changes in Benefit Terms include:

There were no changes in benefit terms for the plan year ended June 30, 2019.

Changes of Assumptions

The discount rate used to measure the total pension liability for the plan year ended June 30, 2019, was 7.15%, as compared to the discount rate used for the the plan year ended June 30, 2018 of 7.30%, a decrease of 0.15%.

The inflation rate used to measure the total pension liability for the plan year ended June 30, 2019, was 2.50% per annum, as compared to the inflation rate used for the plan year ended June 30, 2018 of 2.70%, a decrease of 0.20%.

Projected salary increases used to measure the total pension liability for the plan year ended June 30, 2019, was varying from 14.75% in the first two years of service to 4.50% with 25 or more years of service, as compared to the rates used for the plan year ended June 30, 2018, of varying from 15.00% in the first two years of service to 4.75% with 25 or more years of service, a decrease of 0.25%.

See independent auditor's report.

Supplemental Information

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019**

Schedule 18
(Continued)

| Federal Grantor/ Pass-Through Grantor Name Program Name | CFDA Number | Pass-through Grantor Number | Expenditures | Amount Provided Subrecipients |
|---|----------------|--------------------------------|------------------|-------------------------------------|
| Department of Agriculture | | | | |
| Passed through the State of Louisiana Workforce Commission | | | | |
| SNAP Cluster | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 2000383528 | \$ 101,401 | \$ - |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 2000458710 | 36,083 | - |
| Total CFDA 10.561 | | | <u>137,484</u> | - |
| Total SNAP Cluster | | | 137,484 | - |
| Passed through the State of Louisiana Department of Agriculture and Forestry | | | | |
| Cooperative Forestry Assistance | 10.664 | 18-DG-1108-3122-003 | 22,014 | - |
| Passed through the State of Louisiana Department of Treasury | | | | |
| Forest Service Schools and Roads Cluster | | | | |
| Schools and Roads - Grants to States | 10.665 | | 57,632 | - |
| Agency Totals | | | <u>217,130</u> | - |
| Department of Housing and Urban Development | | | | |
| Passed through the State of Louisiana Division of Administration | | | | |
| Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii | 14.228 | B-08-DI-22-0001 | 1,331,270 | - |
| Agency Totals | | | <u>1,331,270</u> | - |
| Department of the Interior | | | | |
| Direct | | | | |
| Payments in Lieu of Taxes | 15.226 | | 39,697 | - |
| Agency Totals | | | <u>39,697</u> | - |
| Department of Labor | | | | |
| Passed through the State of Louisiana Workforce Commission | | | | |
| WIA Cluster | | | | |
| WIA Adult Program | 17.258 | 2000356936 | 493,813 | - |
| WIA Adult Program | 17.258 | 2000439144 | 70,101 | - |
| Total CFDA 17.258 | | | <u>563,914</u> | - |
| WIA Youth Activities | 17.259 | 2000279440 | 83,924 | - |
| WIA Youth Activities | 17.259 | 2000279440 | 418,846 | - |
| WIA Youth Activities | 17.259 | 2000356936 | 151,817 | - |
| Total CFDA 17.259 | | | <u>654,587</u> | - |
| WIA Dislocated Worker Formula Grants | 17.278 | 2000279440 | 14,094 | - |
| WIA Dislocated Worker Formula Grants | 17.278 | 2000356936 | 167,687 | - |
| WIA Dislocated Worker Formula Grants | 17.278 | 2000439144 | 83,286 | - |
| Total CFDA 17.278 | | | <u>265,067</u> | - |
| Total WIA Cluster | | | <u>1,483,568</u> | - |
| Agency Totals | | | <u>1,483,568</u> | - |
| Department of Transportation | | | | |
| Passed through the State of Louisiana Department of Transportation and Development | | | | |
| Formula Grants for Rural Areas and Tribal Transit Program | 20.509 | RU-18-40-19 | 30,253 | 30,253 |
| Formula Grants for Rural Areas and Tribal Transit Program | 20.509 | RU-18-40-20 | 29,277 | 29,277 |
| Total CFDA 20.509 | | | <u>59,530</u> | <u>59,530</u> |
| Agency Totals | | | 59,530 | 59,530 |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019**

| Federal Grantor/ Pass-Through Grantor Name Program Name | CFDA Number | Pass-through Grantor Number | Expenditures | Schedule 18 (Concluded) Amount Provided Subrecipients |
|---|----------------|--------------------------------|---------------------|---|
| Department of Health and Human Services | | | | |
| Direct | | | | |
| Substance Abuse and Mental Health Services - Projects of Regional and National Significance | 93.243 | | \$ 241,812 | \$ - |
| Passed through the State of Louisiana Department of Social Services | | | | |
| TANF Cluster | | | | |
| Temporary Assistance for Needy Families (TANF) | 93.558 | | 63,276 | - |
| Total TANF Cluster | | | 63,276 | - |
| Passed through the State of Louisiana Department of Social Services | | | | |
| Foster Care - Title IV-E | 93.658 | 642655 | 44,176 | - |
| Passed through the State of Louisiana Department of Health and Human Services - Block Grants for Community Mental Health Services | | | | |
| | 93.958 | | 98,652 | - |
| Agency Totals | | | 447,916 | - |
| Department of Homeland Security | | | | |
| Passed through Louisiana Department of Homeland Security | | | | |
| Disaster Grants-Public Assistance (Presidentially-Declared Disasters) | 97.036 | 079-99079-00 | 8,604 | - |
| Passed through the State of Louisiana Department of Homeland Security | | | | |
| Hazard Mitigation Grant | 97.039 | 1786-079-0001 | 54,440 | - |
| Hazard Mitigation Grant | 97.039 | 1786-079-0003 | 9,246 | - |
| Total CFDA 97.039 | | | 63,686 | - |
| Homeland Security Grant Program | | | | |
| Homeland Security Grant Program | 97.067 | EMW-2016-SS-00043-S01 | 630 | - |
| Homeland Security Grant Program | 97.067 | EMW-2017-SS-00043-S01 | 48,214 | - |
| Homeland Security Grant Program | 97.067 | EMW-2018-SS-00016-S01 | 65,008 | - |
| Total CFDA 97.067 | | | 113,852 | - |
| Agency Totals | | | 186,142 | - |
| Totals | | | \$ 3,765,253 | \$ 59,530 |

Notes:

(1) The Schedule of Expenditures of Federal Awards (the SEFA) includes the federal award activity of the Rapides Parish Police Jury (RPPJ) under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the RPPJ, it is not intended to and does not present the financial position, changes in net position, or cash flows of the RPPJ.

(2) All expenditures on the SEFA are reported on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the RPPJ's accounting policies.

(3) The RPPJ did not elect to use the ten percent (10%) *de minimus* indirect cost rate as allowed under the Uniform Guidance.

See independent auditor's report.

Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Taxes Collected on Behalf of Other Taxing Authorities
Year Ended December 31, 2019

Schedule 19
(Continued)

| Taxing Authority | Total Collections | Expenses | Final Distribution |
|--|--------------------------|-----------------|---------------------------|
| Rapides Parish Police Jury | | | |
| Occupational license taxes | \$ 664,367 | \$ 40,926 | \$ 623,441 |
| Insurance license taxes | 500,357 | 5,775 | 494,582 |
| Hotel/motel taxes | 702,550 | 55,756 | 646,794 |
| Parishwide No. 1 sales and use tax distributed as follows: | | | |
| Rapides Parish Police Jury | 2,432,258 | 29,238 | 2,403,020 |
| Rapides Parish School Board | 13,512,537 | 162,435 | 13,350,102 |
| City of Alexandria | 8,709,992 | 104,703 | 8,605,289 |
| City of Pineville | 1,351,254 | 16,244 | 1,335,010 |
| Town of Boyce | 149,178 | 1,793 | 147,385 |
| Town of Cheneyville | 141,395 | 1,700 | 139,695 |
| Town of Ball | 208,282 | 2,504 | 205,778 |
| Town of Glenmora | 197,337 | 2,372 | 194,965 |
| Town of Lecompte | 202,607 | 2,436 | 200,171 |
| Village of McNary | 35,430 | 426 | 35,004 |
| Village of Forest Hill | 41,186 | 495 | 40,691 |
| Village of Woodworth | 43,618 | 524 | 43,094 |
| District No. 3 sales and use tax distributed as follows: | | | |
| Rapides Parish Police Jury | 2,861,363 | 34,506 | 2,826,857 |
| Town of Boyce | 65,044 | 784 | 64,260 |
| Town of Cheneyville | 46,554 | 561 | 45,993 |
| Town of Ball | 211,303 | 2,548 | 208,755 |
| Town of Glenmora | 85,902 | 1,037 | 84,865 |
| Town of Lecompte | 68,823 | 830 | 67,993 |
| Village of McNary | 10,732 | 129 | 10,603 |
| Village of Forest Hill | 23,277 | 281 | 22,996 |
| Village of Woodworth | 79,048 | 953 | 78,095 |
| Rapides Parish Law Enforcement District: | | | |
| Sales and use tax | 13,512,546 | 162,435 | 13,350,111 |
| Rapides Parish School Board: | | | |
| Sales and use tax | 40,500,309 | 486,843 | 40,013,466 |
| City of Alexandria: | | | |
| Sales and use tax | 39,423,092 | 473,373 | 38,949,719 |
| Occupational license taxes | 2,070,051 | 127,499 | 1,942,552 |
| Insurance license taxes | 743,841 | 45,825 | 698,016 |
| Hotel/motel tax | 301,871 | 23,707 | 278,164 |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Taxes Collected on Behalf of Other Taxing Authorities
Year Ended December 31, 2019**

| Taxing Authority | Total Collections | Expenses | Schedule 19 (Concluded) Final Distribution |
|---|------------------------------|---------------------|--|
| Alexandria Downtown District: | | | |
| Hotel/motel tax | \$ 38,907 | \$ 3,143 | \$ 35,764 |
| Greater Alexandria Economic Development Authority: | | | |
| Hotel/motel tax | 905,612 | 71,120 | 834,492 |
| Town of Ball: | | | |
| Sales and use tax | 710,079 | 8,519 | 701,560 |
| Occupational license taxes | 43,738 | 2,688 | 41,050 |
| Village of Forest Hill: | | | |
| Sales and use tax | 77 | - | 77 |
| Occupational license taxes | 10,682 | 657 | 10,025 |
| Insurance license taxes | 295 | 19 | 276 |
| Town of Woodworth: | | | |
| Sales and use tax | 343,692 | 4,126 | 339,566 |
| Occupational license taxes | 34,483 | 2,130 | 32,353 |
| Town of Lecompte: | | | |
| Sales and use tax | 223,960 | 2,676 | 221,284 |
| Occupational license taxes | 30,825 | 1,898 | 28,927 |
| Town of Boyce: | | | |
| Sales and use tax | 388,496 | 4,682 | 383,814 |
| Occupational license taxes | 14,182 | 873 | 13,309 |
| City of Pineville: | | | |
| Sales and use tax | 10,881,058 | 130,673 | 10,750,385 |
| Occupational license taxes | 451,557 | 27,822 | 423,735 |
| Town of Glenmora: | | | |
| Sales and use tax | 200,294 | 2,404 | 197,890 |
| Occupational license taxes | 18,273 | 1,129 | 17,144 |
| Town of Cheneyville: | | | |
| Sales and use tax | 40,407 | 489 | 39,918 |
| Fire District No. 17: | | | |
| Sales and use tax | 187,708 | 2,252 | 185,456 |
| Fire District No. 18: | | | |
| Sales and use tax | 114,796 | 1,379 | 113,417 |
| Totals | <u>\$ 143,535,225</u> | <u>\$ 2,057,317</u> | <u>\$ 141,477,908</u> |

See independent auditor's report.

**Rapides Parish Police Jury
 Alexandria, Louisiana
 Schedule of Compensation, Benefits, and Other Payments to
 Agency Head or Chief Executive Officer
 Year Ended December 31, 2019**

Schedule 20

Agency Head Name: Theodore Fontaine, Jury President

| Purpose | Amount |
|--|------------------|
| Salary | \$ 23,789 |
| Benefits-insurance | - |
| Benefits-retirement | - |
| Benefits-medicare | - |
| Benefits-other | 1,419 |
| Car allowance | - |
| Cell phone | 389 |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | 450 |
| Conference travel | 960 |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |
| Total | \$ 27,007 |

See independent auditor's report.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Compensation Paid to Police Jurors
Year Ended December 31, 2019**

Schedule 21

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditure of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the policy jury has elected the monthly payment method of compensation. Under this method, the jurors receive \$1,600 per month and the president receives an additional \$400 per month for performing the duties of their office.

| | |
|------------------------|--------------------------|
| Billings, Richard W. | \$ 19,200 |
| Bishop, Joseph | 19,200 |
| Fontaine, Theodore J. | 23,789 |
| McGlothlin, Sean L. | 19,200 |
| Moreau, Davron E. | 19,381 |
| Overton Jr., Oliver | 19,200 |
| Perry Jr., Scott | 19,200 |
| Smith, Craig S. | 19,200 |
| Vanderlick, Richard G. | <u>19,200</u> |
| Total | <u><u>\$ 177,570</u></u> |

See independent auditor's report.

**Other Reports Required By
Government Auditing Standards and the Uniform Guidance**

**Independent Auditor's Report
on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Primary Government Financial Statements
Performed in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Auditor's Report
on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Primary Government Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Jurors
Rapides Parish Police Jury
Alexandria, 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 primary government financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Rapides Parish Police Jury (Police Jury), Alexandria, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government and have issued our report thereon dated October 22, 2020.

Internal Control Over Financial Reporting

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

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

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.

105



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PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2019-002 and 2019-003.

Rapides Parish Police Jury's Response to Findings

The Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Certified Public Accountants
Alexandria, Louisiana

October 22, 2020

**Independent Auditor's Report
on Compliance for Each Major Program
and on Internal Control Over Compliance
Required by the Uniform Guidance**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Auditor's Report
on Compliance for Each Major Program
and on Internal Control Over Compliance
Required by the Uniform Guidance**

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Rapides Parish Police Jury's (the Police Jury) 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 Police Jury's major federal programs for the year ended December 31, 2019. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Rapides Parish Police Jury'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 Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

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 Police Jury's compliance.

Opinion on Each Major Federal Program

In our opinion, the Rapides Parish Police Jury 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 December 31, 2019.

Report on Internal Control over Compliance

Management of the Police Jury 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 Police Jury'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 Police Jury'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2019-004 that we consider to be a material weakness.



PAYNE, MOORE & HERRINGTON, LLP

To the Jurors
Rapides Parish Police Jury
Alexandria, Louisiana

The Rapides Parish Police Jury's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Police Jury's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive style and is positioned below the text of the report.

Certified Public Accountants
Alexandria, Louisiana

October 22, 2020

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? X Yes No
 Significant deficiency(ies) identified not considered
 to be material weaknesses? Yes X None reported

Noncompliance material to the financial statements? X Yes No

Management’s Corrective Action Plan See attached

*Management’s Summary Schedule of Prior
Audit Findings* See attached

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? X Yes No
 Significant deficiency(ies) identified not considered
 to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be
reported in accordance with Uniform Guidance? X Yes No

Identification of major programs:

| CFDA Number/ Cluster Name | Name of Federal Program or Cluster |
|------------------------------|--|
| WIA Cluster | WIA Cluster consisting of the following programs: CFDA Number 17.258, WIA Adult Program CFDA Number 17.259, WIA Youth Activities CFDA Number 17.278, WIA Dislocated Worker Formula Grants |
| 14.228 | Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii |

Dollar threshold used to distinguish between Type A and
Type B programs \$750,000

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

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

**Part II – Findings Relating to the Financial Statements, Which Are Required to be
Reported Under Government Auditing Standards**

Finding 2019-001: Use of the Purchase Order System

Criteria: The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. It is our understanding that the Rapides Parish Police Jury's purchasing procedures require that a department obtain an approved purchase order from the purchasing department prior to submitting an order for materials and supplies.

Condition and Context: Four of forty transactions examined did not comply with Rapides Parish Police Jury's purchasing policies and procedures. Three approved purchase orders were dated after the invoices, indicating that the purchase orders were not obtained prior to the purchases. There was no evidence that a purchase order was issued for one of the forty transactions selected. The four instances noted related to purchases by the Road and Bridge Fund, Fire District #3, and Fire District #7.

Cause and Effect: Failure to follow the established procedures does not allow management to monitor purchases for budget constraints and prevents obtaining proper approval of purchases. As a result, unauthorized purchases may occur and established budgets may be exceeded.

Recommendation: We recommend that purchase orders be prepared and approved before items are ordered or received in accordance with Rapides Parish Police Jury's established purchasing policies and procedures. Departmental employees should be aware of and adhere to such policies.

Management's Response: See Management's Corrective Action Plan.

Finding 2019-002: Failure to Monitor and Comply with Ethics Requirements

Criteria: Pursuant to Louisiana Revised Statute (RS) 42:1170, all public servants, which includes employees and elected officials, shall receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office. While each employee is responsible for his own compliance, the public entity should monitor to ensure that all required employees are in compliance.

Condition and Context: We randomly selected fifteen employees from a population of 600 to verify compliance with the training requirement. There was no evidence that two employees had completed the required training during the year ended December 31, 2019. There is no effective centralized monitoring by Police Jury to ensure that all required employees are in fact complying with the training requirement.

Cause and Effect: The Police Jury reportedly established a centralized monitoring system to verify compliance with training requirements. However, we found that the centralized records were incomplete and not properly maintained. The Police Jury has not implemented an effective internal control system to monitor compliance with the ethics training requirements. The Police Jury did not fully comply with RS 42:1170.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

Recommendation: We recommend that all required employees and public servants of the Rapides Parish Police Jury comply with the provisions of RS 42:1170 and that an effective centralized system of monitoring and enforcing compliance be established.

Management's Response: See Management's Corrective Action Plan.

Finding 2019-003: Budget Compliance

Criteria: Louisiana Revised Statute (RS) 39:1311 requires an amendment to the budgets of the general fund and/or special revenue funds if total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more, or if total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Condition and Context: Actual revenues and other sources on the Police Jury's budgetary basis for the following special revenue funds were less than budgeted revenues and other sources by more than 5%:

| | Final Budget | Actual on Budgetary Basis | Variance | Percent Variance |
|---------------------------------------|-----------------|---------------------------------|------------|---------------------|
| Criminal Court Fund | \$ 2,100,864 | \$ 1,961,949 | \$ 138,915 | 6.61% |
| Courthouse Parking Fund | 32,650 | 26,962 | 5,688 | 17.42% |
| Esler Field Drainage Improvement Fund | 799,881 | 31,892 | 767,989 | 96.01% |
| Civil Defense Fund | 130,311 | 58,211 | 72,100 | 55.33% |
| Louisiana Recovery Grant Fund | 2,354,568 | 1,226,812 | 1,127,756 | 47.90% |
| Motor Vehicle Fund | 145,000 | 126,668 | 18,332 | 12.64% |

Actual expenditures on the Police Jury's budgetary basis for the following special revenue funds exceed total budgeted expenditures by more than 5%:

| | Actual on Budgetary Basis | Final Budget | Variance | Percent Variance |
|------------------------------|---------------------------------|-----------------|----------|---------------------|
| RSCC Transportation Grant | \$ 47,104 | \$ 43,211 | \$ 3,893 | 9.01% |
| State Adult Drug Court Grant | 668,210 | 635,000 | 33,210 | 5.23% |
| Behavioral Health Grant Fund | 98,652 | - | 98,652 | 100.00% |

Cause and Effect: The Police Jury did not make adequate budget amendments for the above funds in accordance with RS 39:1311.

Recommendation: We recommend that the Police Jury adopt budget amendments as required by RS 39:1311.

Management's Response: See Management's Corrective Action Plan.

**Rapides Parish Police Jury
Alexandria, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

Part III – Findings and Questioned Costs for Federal Awards

Finding 2019-004: Preparation of the Schedule of Expenditures of Federal Awards

Criteria: The A-102 Common Rule, OMB Circular A-110 and 2 CFR section 200.303 require that non-federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Conditions and Context: The Police Jury lacks adequate controls to capture all information necessary to accurately prepare the schedule of expenditures of federal awards. The draft schedule of expenditures of federal awards (SEFA) received from the Police Jury omitted some programs and incorrectly reported expenditures for other programs. This condition was also noted in Finding 2018-005 in the prior year report.

Cause and Effect: Because many application, administration, and reporting activities of the Police Jury are not centrally located, financial personnel may be unaware of requests for funding in the Police Jury's name and may not have direct oversight for monitoring compliance. Without an effective method to accumulate information about federal awards and expenditures and compliance, internal controls cannot be established and compliance requirements cannot be adequately monitored.

Recommendations: We recommend that all applications and awards for federal funds be communicated to the Treasurer or her assigned personnel for accurate and complete reporting of federal awards and expenditures. We further recommend that controls be established to specify the personnel to be responsible for monitoring compliance with each program and accumulating the information necessary to prepare the SEFA. We encourage the Police Jury to recognize its responsibility for all awards made in the Police Jury's name or identification number and to protect the Police Jury against possible noncompliance.

Management's Response: See Management's Corrective Action Plan.

DISTRICT A
DAVRON "BUBBA" MOREAU
148 SUSAN DRIVE
PINEVILLE, LA 71360

DISTRICT B
JOSEPH "JOE" BISHOP
4200 STILLMEADOW LANE
PINEVILLE, LA 71360

DISTRICT C
CRAIG SMITH
20 PAUL CEMETERY ROAD
DEVILLE, LA 71328

DISTRICT D
THEODORE FOUNTAINE, JR.
509 EVANGELINE LANE
ALEXANDRIA, LA 71302



DISTRICT E
RUSTY WILDER
152 WILDERNESS DRIVE
BOYCE, LA 71409

DISTRICT F
OLIVER "OLLIE" OVERTON
3809 SPENCER STREET
ALEXANDRIA, LA 71302

DISTRICT G
SEAN McGLOTHLIN
5242 RUE MARIA
ALEXANDRIA, LA 71303

DISTRICT H
DAVID JOHNSON
170 MITCH JOHNSON ROAD
GLENMORA, LA 71433

DISTRICT I
SCOTT PERRY, JR.
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ALEXANDRIA, LA 71303

Management's Corrective Action Plan

The Rapides Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 2019.

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200

Auditee Contact Person:

Theresa Pacholik
Treasurer
Rapides Parish Police Jury
(318) 473-6673

Audit Period: January 1, 2019 through December 31, 2019

The findings from the Schedule of Findings and Questioned Costs are discussed below, numbered consistently with the numbers assigned in the Schedule. See Parts II, and III, Schedule of Findings and Questioned Costs, for criteria, condition and context, cause and effect, and auditor recommendations relating to the findings to the financial statements.

Findings Related to the Financial Statements Which Are Required to be Reported Under *Government Auditing Standards*

Finding 2019-001: Use of the Purchase Order System

Summary: Four of forty transactions examined did not comply with Rapides Parish Police Jury's purchasing policies and procedures. Three approved purchase orders were dated after the invoices, indicating that the purchase orders were not obtained prior to the purchases. There was no evidence that a purchase order was issued for one of the forty transactions selected.

Recommendation: The auditors recommend that purchase orders be prepared and approved before items are ordered or received in accordance with Rapides Parish Police Jury's established purchasing policies and procedures. Departmental employees should be aware of and adhere to such policies.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2019-002: Failure to Monitor and Comply with Ethics Requirements

Summary: Pursuant to RS 42:1170, all public servants, which includes employees and elected officials, shall receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of public employment or term of office. The Police Jury should monitor and document compliance with this requirement. There was no evidence that two of the fifteen employees selected had completed the required training during the year ended December 31, 2019.

Recommendation: The auditors recommend that all required employees and public servants of the Rapides Parish Police Jury comply with the provisions of RS 42:1170 and that an effective centralized system of monitoring and enforcing compliance be established.

Management's Response: Management concurs with finding and recommendation will be implemented.

Finding 2019-003: Budget Compliance

Summary: Louisiana Revised Statute (RS) 39:1311 requires an amendment to fund budgets when actual revenues and other sources fail to meet projected revenues and other sources by more than 5% or more or when actual expenditures and other uses exceed budgeted expenditures and other uses by more than 5%. Actual revenues and other sources on the Police Jury's budgetary basis for six special revenue funds were less than budgeted revenues and other sources by more than 5%. Actual expenditures on the Police Jury's budgetary basis for three special revenue funds exceed total budgeted expenditures by more than 5%.

Recommendation: The auditors recommend that the Police Jury adopt budget amendments as required by RS 39:1311.

Management's Response: Management concurs with finding and recommendation will be implemented.

Findings and Questioned Costs Related to Federal Awards

Finding 2019-004: Preparation of the Schedule of Expenditures of Federal Awards

Summary: Management of the Police Jury is required to establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal awards received. The Police Jury lacks adequate controls to capture all information necessary to accurately prepare the schedule of expenditures of federal awards (SEFA).

Recommendations: The auditors recommend that all applications and awards for federal funds be communicated to the Treasurer or her assigned personnel for accurate and complete reporting of federal awards and expenditures. The auditors further recommend the controls be established to specify the personnel to be responsible for monitoring compliance with each program and accumulating the information necessary to prepare the SEFA. The auditors encourage the Police Jury to recognize its responsibility for all awards made in the Police Jury's name or identification number and to protect the Police Jury against possible noncompliance.

Management's Response: Management concurs with finding and recommendation will be implemented.

Respectfully submitted,

Theresa Pacholik

Treasurer

DISTRICT A
DAVRON "BUBBA" MOREAU
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PINEVILLE, LA 71360

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DEVILLE, LA 71328

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DISTRICT I
SCOTT PERRY, JR.
4324 ENGLAND DRIVE
ALEXANDRIA, LA 71303

Management's Summary Schedule of Prior Audit Findings Year Ended December 31, 2019

Finding 2018-001: Donated Capital Assets

Summary: The Police Jury does not have an internal control system in place to ensure that donated capital assets are recorded in the financial statements and that these capital assets are recorded in the subsidiary records. Failure to identify and record donated assets resulted in the understatement of capital assets.

Current Status: Resolved.

Finding 2018-002: Use of the Purchase Order System

Summary: The auditors noted six instances where approved purchase orders were dated after the invoices, indicating that the purchase orders were not obtained prior to the purchases which is in violation of established purchasing policies and procedures.

Current Status: Unresolved. See Finding 2019-001.

Finding 2018-003: Failure to Monitor and Comply with Ethics Requirements

Summary: All public servants, which includes employees and elected officials, shall receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office. The Police Jury should monitor to ensure that all required employees are in compliance. The Police Jury failed to adequately document monitoring and compliance with the provisions of LA R.S. 42:1170 which requires annual ethics training for public servants.

Current Status: Unresolved. See Finding 2019-002.

Finding 2018-004: Budget Compliance

Summary: Louisiana Revised Statute (RS) 39:1311 requires an amendment to fund budgets when actual revenues and other sources fail to meet projected revenues and other sources by more than 5% or more or when actual expenditures and other uses exceed budgeted expenditures and other uses by more than 5%. Budget amendments were not made for five funds that had unfavorable variances of 5% or more in accordance with RS 39:1311.

Current Status: Unresolved. See Finding 2019-003.

Finding 2018-005: Preparation of the Schedule of Expenditures of Federal Awards

Summary: Management of the Police Jury is required to establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal awards received. The Police Jury lacks adequate controls to capture all information necessary to accurately prepare the schedule of expenditures of federal awards (SEFA).

Current Status: Unresolved. See Finding 2019-004.

Respectfully submitted,

Theresa Pacholik

Treasurer

Rapides Parish Police Jury

*Statewide Agreed-Upon Procedures
Report*

Alexandria, Louisiana

December 31, 2019



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CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Jurors
Rapides Parish Police Jury
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Rapides Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity'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. **Procedure:** Obtain and inspect the Entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

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

Results: The Entity does not have formal written policies and procedures that address the following areas: ethics, debt service, and disaster recovery/business continuity.



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Management's Response: Management will review this finding and consider modifying policies to mitigate results.

Board or Finance Committee

2. **Procedure:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one (1) meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: Not applicable – no prior year exceptions noted.

Bank Reconciliations

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



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- a) Bank reconciliations include evidence that they were prepared within two (2) months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve (12) months from the statement closing date, if applicable.

Results: No exceptions noted.

Collections

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

Results: No exceptions noted.

5. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one (1) collection location for each deposit site (i.e. five (5) collection locations for five (5) deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.



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

Results: One (1) of the four (4) collection locations allow employees responsible for cash collections to share cash drawers/registers.

Management's Response: Management will review this finding and consider modifying policies to mitigate results.

- 6. **Procedure:** Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: No exceptions noted.

- 7. Randomly select two (2) deposit dates for each of the five (5) bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the ten (10) deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one (1) business day of receipt at the collection location (within one (1) week if the depository is more than ten (10) miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions noted.



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

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

Results: No exceptions noted.

9. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe 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.
- b) At least two (2) employees are involved in processing and approving payments to vendors.
- 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.
- 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

Results: No exceptions noted.

10. **Procedure:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five (5) disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions noted.



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Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Results: No exceptions noted.

12. Procedure: Using the listing prepared by management, randomly select five (5) cards (or all cards if less than five (5) that were used during the fiscal period. Randomly select one (1) monthly statement or combined statement for each card (for a debit card, randomly select one (1) monthly bank statement), obtain supporting documentation, and:

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, or electronically approved by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: None of the five (5) cards examined were noted as having evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, or electronically by someone other than the authorized card holder.

Management's Response: Management will review this finding and consider modifying policies to mitigate results.

13. Procedure: Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten (10) transactions (or all transactions if less than ten (10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have ten (10) transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: No exceptions noted.



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

- 14. Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five (5) reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Not applicable – no prior year exceptions noted.

Contracts

- 15. Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five (5) contracts (or all contracts if less than five (5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).



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- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the five (5) contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Not applicable – no prior year exceptions noted.

Payroll and Personnel

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

Results: Not applicable – no prior year exceptions noted.

17. **Procedure:** Randomly select one (1) pay period during the fiscal period. For the five (5) employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe 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.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records.

Results: Not applicable – no prior year exceptions noted.



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18. Procedure: Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two (2) employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: Not applicable – no prior year exceptions noted.

19. Procedure: Obtain 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.

Results: Not applicable – no prior year exceptions noted.

Ethics

20. Procedure: Using the five (5) randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one (1) hour of ethics training during the fiscal period.
- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: Two (2) of the five (5) employees selected did not have documentation demonstrating that one (1) hour of ethics training was completed during the fiscal period. None of the five (5) employees attested through signature verification that he or she read the entity's ethics policy during the fiscal period.

Management's Response: Management will review this finding and consider modifying policies to mitigate results.



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Debt Service

21. Procedure: Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results: Not applicable – no prior year exceptions noted.

22. Procedure: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one (1) bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable – no prior year exceptions noted.

Other

23. Procedure: Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Entity is domiciled.

Results: Not applicable – no prior year exceptions noted.

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

Results: Not applicable – no prior year exceptions noted.



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

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

A handwritten signature in blue ink that reads "Payne, Moore & Herrington, LLP".

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

October 22, 2020