

**Madison Parish Police Jury
Tallulah, Louisiana**

Basic Financial Statements

And Independent Auditor's Report

As of and for the Year Ended December 31, 2018

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TALLULAH, LOUISIANA
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TALLULAH, LOUISIANA
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REQUIRED SUPPLEMENTARY INFORMATION

PART I

Management's Discussion and Analysis

December 31, 2018

This discussion and analysis of Madison Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2018.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 3 *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The MD&A provides insights into the results of this year's operations:

Total governmental funds revenue received for the year ended December 31, 2018, was \$8,178,844. This is a decrease of \$322,123 or an 4% change from the year ended December 31, 2017. This decrease is due mainly to a decrease in ad valorem tax.

Governmental expenditures for 2018 were \$7,839,573. This is an increase of \$57,176, or a 1% change from the year ended December 31, 2017.

For the year ended December 31, 2018, General Fund reported \$1,064,674 in revenues, an increase of \$56,735, or a 6% change from revenue received for the year ended December 31, 2017.

In 2018 the Police Jury reported \$1,068,707 in expenditures for the General Fund and \$1,061,740 in expenditures for 2017. This is a 1% increase from the prior year.

Using This Annual Report

The Police Jury's annual report consists of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a more long-term view of the Police Jury's finances. The fund financial statements are included later in this report. For governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insight into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds – the General Fund, Library, Garbage Maintenance, Health Unit, Public Works, Courthouse and Jail, and E-911.

The following chart reflects the information included in this annual report:

**Required Supplemental Information
Management's Discussion and Analysis (MD&A)**

Basic Financial Statements	
Government-Wide Financial Statements	Fund Financial Statements
Notes to the Basic Financial Statements	

Required Supplemental Information
Budgetary Information for Major Funds
Changes in Net OPEB Liability
Employer's Share of Net Pension Liability
Employer Contributions

Supplemental Information
Nonmajor Governmental Funds - Combining Statements
Nonmajor Special Revenue Funds - Combining Statements
Schedule of Compensation Paid to Police Jurors
**Schedule of Compensation; Reimbursements, and Other
Payments to Agency Head**

Other Required Reports
Schedule of Current-Year Findings
Summary Schedule of Prior-Year Audit Findings

Our auditors have provided assurance in their Independent Auditor's Report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance are being provided by the auditors regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting the Police Jury as a Whole

The Statement of Net Position and the Statement of Activities. Our analysis of the Police Jury as a whole begins on page 3. One of the most important questions about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net position. The difference between assets and liabilities, as reported in the Statement of Net Position, is one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net position, as reported in the Statement of Activities, is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Position and Statement of Activities report the following activity for the Police Jury:

Government activities – All of the Police Jury’s services are reported here, including public works and health and welfare services. Property taxes, severance taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury’s Most Significant Funds

Fund Financial Statements. The Police Jury’s fund financial statements provide detailed information about the most significant funds – not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury’s governmental funds use the following accounting approach:

Governmental funds – All of the Police Jury’s services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury’s operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and government funds in reconciling statements on pages 14 and 17.

The Police Jury as a Whole. The Police Jury’s net position was \$24,255,375 at December 31, 2018. Of this amount, \$366,947 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury’s ability to use those funds for day-to-day operations. Our analysis of the primary government focuses on the net position (Table 1) and changes in net position (Table 2) of the Police Jury’s governmental activities.

**Table 1
Net Position
Years Ended December 31, 2017, and 2018**

	Governmental Activities	
	2017	2018
Current and other assets	\$ 16,903,548	\$ 17,934,586
Capital assets	7,482,837	7,363,478
Total assets	24,386,385	25,298,064
Deferred outflow s of resources	1,003,312	653,794
Current and other liabilities	550,907	647,898
Long-term liabilities	1,221,432	401,994
Total liabilities	1,772,339	1,049,892
Deferred inflow s of resources	111,644	646,591
Net position		
Invested in capital assets, net of debt	7,482,837	7,285,357
Restricted	16,700,931	16,603,071
Unrestricted	(678,054)	366,947
Total net position	\$ 23,505,714	\$ 24,255,375

Net position of the Police Jury's governmental activities for December 31, 2018, was \$24,255,375. Unrestricted net position, which is part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements was \$366,947.

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges them slightly so you can see our total revenues for the year.

Table 2
Changes in Net Position
Years Ended December 31, 2017, and 2018

	2017	2018
Revenues:		
Program revenues		
Charges for services	\$1,045,079	\$1,027,516
Federal grants	695,753	736,763
State grants & entitlements	441,121	545,081
General Revenues		
Ad valorem taxes	5,312,329	5,440,227
State revenue sharing	85,006	85,443
Other general revenues	923,532	960,310
Total revenues	8,502,820	8,795,340
Functions/Programs Expenses:		
General government:		
Legislative	126,825	126,348
Judicial	1,120,191	1,089,434
Elections	46,859	34,950
Finance and administrative	343,697	291,257
Other general government	50,183	59,443
Public safety	1,489,764	1,441,976
Public works	3,846,539	3,776,346
Health and welfare	322,778	291,691
Culture and recreation	595,094	529,570
Economic development and assistance	57,340	59,411
Transportation	43,066	316,918
Miscellaneous	12,545	32,685
Interest on long-term debt	-	3,095
Total expenses	8,054,881	8,053,124
Ordinary increase in net position	447,939	742,216
Extraordinary event- theft	(20,410)	-
Increase in net position	\$ 427,529	\$ 742,216

Governmental Activities. As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$8,053,124. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was \$5,440,227 because some of the cost was paid by those who benefited from the programs or by other governments and organizations who subsidized certain programs with grants and contributions.

In Table 3, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, public safety, public works, health and welfare, and culture and recreation, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Governmental Activities
For the Years Ended December 31, 2017, and 2018

Governmental Activities	Total Cost of Services		Net Cost of Services	
	2017	2018	2017	2018
Judicial	\$ 1,120,191	\$ 1,089,434	\$ (711,997)	\$ (731,849)
Finance and Administrative	343,697	291,257	(147,414)	(283,319)
Public Safety	1,489,764	1,441,976	(986,824)	(864,428)
Public Works	3,846,539	3,776,346	(2,970,518)	(2,525,730)
Health & Welfare	322,778	291,691	(136,070)	(188,071)
Culture and Recreation	595,094	529,570	(584,535)	(519,123)
All Others	336,818	632,850	(335,570)	(631,244)
Total Functions/Program Expenses	\$ 8,054,881	\$ 8,053,124	\$ (5,872,928)	\$ (5,743,764)

The Police Jury's Funds. As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$16,366,932 which is an increase of \$339,271 from last year. The primary reasons for these increases are:

Our General fund is our principle operating fund. The fund balance in the general fund increased by \$1,078 to \$676,702 at December 31, 2018. The income increased by \$56,735 and expenditures increased by \$6,967.

Our Library fund accounts for the public library. This fund showed an increase of \$115,872 to \$1,818,530. This increase is more than the prior year increase.

The Garbage Maintenance fund accounts for the parish garbage collection services. This fund showed an increase of \$122,975 to \$1,826,173. The increase is due to a decrease in expenditures and an increase in revenues.

The Health Unit fund accounts for the parish health center. This fund showed an increase of \$89,693 to \$1,821,179. The increase was the result of an operating profit in the current year.

The Public Works fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$187,558 to \$1,650,293. Revenue was up compared to the prior year.

The Courthouse and Jail fund accounts for funds used to maintain the courthouse, courthouse annex, jail, and the feeding, maintenance and transporting of parish inmates. This fund showed an increase of \$319,797 to \$8,041,825. The ad valorem tax base was increased several years ago.

The E-911 fund accounts for funds used for the operations of the Madison Parish Communications District. The fund showed a decrease of \$96,909 to \$1,321,519. The decrease is due to an increase of expenditures compared to the prior year.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Rural Development, Criminal Court, Memorial, Group Health Savings, Grant Fund, Witness Fees, FEMA Disaster, Emergency Shelter Donation, Recreation Board, OHSEP, and Building Fund). The combined funds showed a decrease of \$400,793 to a deficit of \$789,289.

General Fund Budgetary Highlights. Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report). The original budgets were adopted on December 20, 2017, and amended on December 20, 2018, in an effort to accurately reflect actual revenue and expenditure amounts.

CAPITAL ASSETS

Capital Assets at Year Ended December 31, 2017, and 2018

	2017	2018
Land	\$ 188,750	\$ 188,750
Buildings and improvements	6,329,028	6,329,028
Equipment and furniture (including vehicles)	3,456,565	3,571,912
Books and periodicals	587,683	652,084
Quebec Road	3,771,405	3,771,405
Health Unit	1,688,635	1,688,635
Total capital assets	16,022,066	16,201,814
Accumulated depreciation	(8,539,229)	(8,838,336)
Net capital assets	\$7,482,837	\$7,363,478

Debt. At December 31, 2018, the Police Jury had a prior year liability of \$177,500 for claims and judgments.

Contacting the Police Jury's Financial Management. Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Ms. Margaret Dew, Secretary/Treasurer, Courthouse Building, Madison Parish Police Jury, 100 North Cedar Street, Tallulah, LA 71282, telephone number (318) 574-3451.

INDEPENDENT AUDITOR'S REPORT

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Police Jury as of and for the year ended December 31, 2018, and related notes to the financial statements which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements 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 the financial data for those component units to be reported with the financial data of the Parish'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 amounts by which this departure from accounting principles generally accepted in the United States of America would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units are not reasonably determinable.

Adverse Opinion on Aggregate Discretely Presented Component Units

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 Madison Parish Police Jury as of December 31, 2018, 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 Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Madison Parish Police Jury, as of December 31, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 6, the budgetary comparison information on pages 41 through 49, the schedule of changes in net OPEB liability and related ratios on page 50, the schedule of employer's share of net pension liability on page 51, and the schedule of employer contributions on page 52 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 Madison Parish Police Jury's basic financial statements. The combining non-major governmental fund financial statements, the Schedule of Compensation Paid to Jurors, and The Schedule of Compensation Paid to Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements, the Schedule of Compensation Paid to Jurors, and the Schedule of Compensation Paid to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major governmental fund financial statements, the Schedule of Compensation Paid to Jurors and Schedule of Compensation Paid to Agency Head 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 August 11, 2019, on our consideration of the Madison 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 to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Police Jury's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi

August 11, 2019

BASIC FINANCIAL STATEMENTS

**Government-Wide
Financial Statements**

**MADISON PARISH POLICE JURY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018**

	Primary Government Governmental Activities
Assets	
Cash and cash equivalents	\$ 8,709,703
Investments	3,457,383
Receivables	5,767,500
Capital assets, net	7,363,478
Total Assets	25,298,064
Deferred Outflows of Resources	653,794
Liabilities	
Accounts, salaries and other payables	647,898
Long-term liabilities:	
Due within one year	15,882
Due in more than one year	386,112
Total Liabilities	1,049,892
Deferred Inflows of Resources	646,591
Net Position	
Invested in capital assets, net of related debt	7,285,357
Restricted for:	
Library	1,896,820
Garbage collection	1,486,618
Health unit	1,792,130
Drainage and roads	2,253,312
Courthouse and jail	7,588,033
E-911	1,353,388
Other special revenue funds	225,567
Other purposes	7,203
Unrestricted	366,947
Total Net Position	\$ 24,255,375

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Program Revenues			Primary Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government: Governmental Activities:				Net (Expense) Revenue and Changes in Net Position
General government:				
Legislative	\$ 126,348	\$ -	\$ -	\$ -
Judicial	1,089,434	357,585	-	-
Elections	34,950	-	-	-
Finance and administrative	291,257	-	7,938	-
Other general administrative	59,443	1,606	-	-
Public safety	1,441,976	43,960	533,588	-
Public works	3,776,346	623,889	626,727	-
Health and welfare	291,691	-	103,620	-
Culture and recreation	529,570	476	9,971	-
Economic development and assistance	59,411	-	-	-
Transportation	316,918	-	-	-
Miscellaneous	32,685	-	-	-
Interest on long-term debt	3,095	-	-	-
Total Governmental Activities	<u>\$8,053,124</u>	<u>\$1,027,516</u>	<u>\$ 1,281,844</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				5,440,227
Other taxes and penalties				166,032
State revenue sharing				85,433
Severance tax				34,159
Video Poker				222,057
Licenses and permits				170,184
Interest and investment earnings				117,508
Miscellaneous				250,380
Total general revenues				<u>6,485,980</u>
Change in net position				742,216
Net position - beginning - as restated				<u>23,513,159</u>
Net position - ending				<u><u>\$ 24,255,375</u></u>

The accompanying notes are an integral part of this financial statement.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

**MADISON PARISH POLICE JURY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Library	Garbage Maintenance	Health Unit	Public Works
Assets					
Cash and cash equivalents	\$ 152,834	\$ 896,216	\$ 865,671	\$ 1,626,478	\$ 78,060
Investments	-	453,290	100,796	-	-
Receivables	656,051	498,339	458,088	144,311	1,904,524
Interfund Recievables	794,707	-	401,855	50,400	128,626
Total Assets	<u>1,603,592</u>	<u>1,847,845</u>	<u>1,826,410</u>	<u>1,821,189</u>	<u>2,111,210</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts, salaries, and other payables	205,087	29,315	-	10	29,491
Interfund payables	721,803	-	237	-	431,426
Total Liabilities	<u>926,890</u>	<u>29,315</u>	<u>237</u>	<u>10</u>	<u>460,917</u>
Fund Balances:					
Restricted	-	1,818,530	1,826,173	1,821,179	1,650,293
Unassigned	676,702	-	-	-	-
Total Fund Balance	<u>676,702</u>	<u>1,818,530</u>	<u>1,826,173</u>	<u>1,821,179</u>	<u>1,650,293</u>
Total Liabilities and Fund Balances	<u>\$ 1,603,592</u>	<u>\$ 1,847,845</u>	<u>\$ 1,826,410</u>	<u>\$ 1,821,189</u>	<u>\$ 2,111,210</u>

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2018 - continued**

	Courthouse and Jail	E-911	Other Governmental	Total
Assets				
Cash and cash equivalents	\$ 4,417,618	\$ 431,488	\$ 241,338	\$ 8,709,703
Investments	2,214,522	688,775	-	3,457,383
Receivables	858,048	284,855	43,528	4,847,744
Interfund Recievables	586,412	9,411	739	1,972,150
Total Assets	<u>8,076,600</u>	<u>1,414,529</u>	<u>285,605</u>	<u>18,986,980</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts, salaries, and other payables	36,957	93,010	254,028	647,898
Interfund payables	(2,182)	-	820,866	1,972,150
Total Liabilities	<u>34,775</u>	<u>93,010</u>	<u>1,074,894</u>	<u>2,620,048</u>
Fund Balances:				
Restricted	8,041,825	1,321,519	(789,289)	15,690,230
Unassigned	-	-	-	676,702
Total Fund Balance	<u>8,041,825</u>	<u>1,321,519</u>	<u>(789,289)</u>	<u>16,366,932</u>
Total Liabilities and Fund Balances	<u>\$ 8,076,600</u>	<u>\$1,414,529</u>	<u>\$ 285,605</u>	<u>\$18,986,980</u>

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Total fund balances - governmental funds \$ 16,366,932

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	16,201,814	
Depreciation expense to date	<u>(8,838,336)</u>	7,363,478

Receivables collected more than 60 days after the close of the accounting period are not recorded on the fund financial statements, but they are included on the Statement of Net Position. 919,756

Deferred outflows and inflows are not financial resources or currently payable

Deferred outflows	653,794	
Deferred inflows	<u>(646,591)</u>	7,203

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at December 31, 2018, are:

Long-term liabilities		
Judgment payable	(177,500)	
Note payable	(78,121)	
OPEB obligation	(363,238)	
Net pension liability	<u>216,865</u>	<u>(401,994)</u>

Net Position \$ 24,255,375

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/DEFICITS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Library	Garbage Maintenance	Health Unit
Revenues				
Local sources:				
Taxes:				
Ad valorem	\$ 451,094	\$ 565,725	\$ 448,376	\$ 157,485
Other taxes and penalties	968	-	-	-
Licenses and permits	159,620	-	-	-
Intergovernmental revenues:				
Federal funds - federal grants	7,259	7,576	12,012	54,092
State funds:				
Parish transportation funds	-	-	-	-
State revenue sharing (net)	9,578	7,911	5,413	4,466
Severance taxes	34,159	-	-	-
Other state grants	222,362	2,395	-	-
Fees, charges, and commissions				
for services	1,606	-	623,845	-
Fines and forfeitures	-	476	-	-
Use of money and property	6,830	8,712	15,663	4,912
Other revenues	171,198	2,989	-	750
Total Revenues	1,064,674	595,784	1,105,309	221,705
Expenditures				
Current:				
General government:				
Legislative	126,349	-	-	-
Judicial	416,632	-	-	-
Elections	32,644	-	-	-
Finance and administrative	154,883	-	-	-
Public safety	152,257	-	-	-
Public works	171	-	982,334	-
Health and welfare	38,928	-	-	132,012
Culture and recreation	18,915	395,606	-	-
Economic development and assistance	59,411	-	-	-
Transportation	37,264	-	-	-
Miscellaneous	31,253	-	-	-
Debt service	-	-	-	-
Capital outlay	-	84,306	-	-
Total Expenditures	1,068,707	479,912	982,334	132,012
Excess (Deficiency) of Revenues Over Expenditures	(4,033)	115,872	122,975	89,693
Other Financing Sources (Uses)				
Transfers in	5,111	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	5,111	-	-	-
Net Change in Fund Balances	1,078	115,872	122,975	89,693
Fund Balances - beginning	675,624	1,702,658	1,703,198	1,731,486
Fund Balances - ending	\$ 676,702	\$ 1,818,530	\$ 1,826,173	\$ 1,821,179

-continued

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/DEFICITS
FOR THE YEAR ENDED DECEMBER 31, 2018 – continued**

	Public Works	Courthouse and Jail	E- 911	Other Governmental	Total
Revenues					
Local sources:					
Taxes:					
Ad valorem	\$2,132,879	\$ 986,330	\$ 298,290	\$ -	\$ 5,040,179
Other taxes and penalties	1,800	-	163,264	-	166,032
Licenses and permits	-	-	-	10,564	170,184
Intergovernmental revenues:					
Federal funds - federal grants	22,756	13,045	3,995	421,299	542,034
State funds:					
Parish transportation funds	187,058	-	-	-	187,058
State revenue sharing (net)	44,210	-	-	13,855	85,433
Severance taxes	-	-	-	-	34,159
Other state grants	-	11,936	-	343,388	580,081
Fees, charges, and commissions for services	44	-	-	43,960	669,455
Fines and forfeitures	-	-	-	357,585	358,061
Use of money and property	7,960	64,132	7,908	1,391	117,508
Other revenues	2,951	7,085	-	43,687	228,660
Total Revenues	2,399,658	1,082,528	473,457	1,235,729	8,178,844
Expenditures					
Current:					
General government:					
Legislative	-	-	-	-	126,349
Judicial	540	2,550	-	647,303	1,067,025
Elections	953	-	-	-	33,597
Finance and administrative	73,474	98,234	-	2,904	329,495
Public safety	-	635,770	557,635	-	1,345,662
Public works	2,119,817	-	-	618,282	3,720,604
Health and welfare	-	-	-	80,968	251,908
Culture and recreation	-	-	-	868	415,389
Economic development and assistance	-	-	-	-	59,411
Transportation	-	-	-	279,654	316,918
Miscellaneous	-	-	-	1,432	32,685
Debt services	17,316	-	-	-	17,316
Capital outlay	-	26,177	12,731	-	123,214
Total Expenditures	2,212,100	762,731	570,366	1,631,411	7,839,573
Excess (Deficiency) of Revenues Over Expenditures	187,558	319,797	(96,909)	(395,682)	339,271
Other Financing Sources (Uses)					
Transfers in	-	-	-	23,663	28,774
Transfers out	-	-	-	(28,774)	(28,774)
Total Other Financing Sources (Uses)	-	-	-	(5,111)	-
Net Change in Fund Balances	187,558	319,797	(96,909)	(400,793)	339,271
Fund Balances - beginning	1,462,735	7,722,028	1,418,428	(388,496)	16,027,661
Fund Balances - ending	\$1,650,293	\$8,041,825	\$1,321,519	\$ (789,289)	\$16,366,932

The accompanying notes are an integral part of this financial statement.

**MADISON PARISH POLICE JURY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/DEFICITS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Total net change in fund balances - governmental funds		\$ 339,271
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period:		
Capital outlay	123,214	
Depreciation expense	<u>(334,915)</u>	(211,701)
Governmental funds do not report funds received more than 60 days after the end of the year as revenues in the current year, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities.		
		594,777
Payments of long-term debt are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.		
		14,221
Net pension expense is reported in governmental funds as expenditures as they are paid, however, in the Statement of Activities the net pension expense is reported according to estimates required by GASB 68:		
Pension expenses paid	179,906	
Pension expenses per GASB 68	(239,667)	
Non-employer contributions to cost sharing pension plan	<u>21,720</u>	(38,041)
The Statement of Activities recorded unfunded cost of post employment medical insurance cost (OPEB) in the current year, but it will not be recorded in Governmental funds until actually paid.		
		<u>43,689</u>
Change in net position of governmental activities		<u>\$ 742,216</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

INTRODUCTION

The Madison Parish Police Jury (the Police Jury) is the governing authority for Madison Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire on January 10, 2020.

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 replace and maintain 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. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the Police Jury also has authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protections, library facilities, and health care facilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Madison Parish Police Jury have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison 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) other 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body and:
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

A. REPORTING ENTITY - continued

2. Organization for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year Ended</u>	<u>Criteria Used</u>
Madison Parish Hospital Service District	December 31	1 and 3
Madison Parish Port Commission	December 31	1 and 3
Madison Parish Recreation District	December 31	1 and 3
Afton Fire Protection	December 31	1 and 3
Mound Fire Protection	December 31	1 and 3
Bear Lake Fire Protection Dist. No. 1	December 31	1 and 3
Madison Parish Tax Assessor	December 31	2 and 3
Madison Parish Clerk of Court	June 30	2 and 3
Madison Parish Sheriff	June 30	2 and 3
Madison Parish Tourism Commission	December 31	1 and 3

The component units listed above are not included in the basic financial statements.

Considered in the determination of component units of the reporting entity were the Madison Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Madison Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Madison Parish Police Jury.

B. FUND ACCOUNTING

The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. FUND ACCOUNTING - continued

Governmental Funds

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

General Fund – The general fund in the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Library Fund – This fund accounts for the activities performed for the public library.

Garbage Maintenance – This fund accounts for the parish garbage collection services.

Health Unit – This fund accounts for funds for the parish health center.

Public Works – This fund accounts for funds used to maintain the parish roads and streets.

Courthouse and Jail – This fund accounts for operation and maintenance of the courthouse and jail.

E=911 – This fund accounts for the operation of the Madison Parish Communications District.

Other Governmental – This fund is comprised of all non-major funds which include Rural Development, Criminal Court, Memorial, Group Health Savings, Grant Fund, Witness Fees, FEMA Disaster, Emergency Shelter Donation, Recreation Board, OHSEP, LCDBG, and Building Fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*. Fiduciary funds are not included in the government-wide financial statements.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – continued

Program revenues – Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry. As a whole, program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Allocation of indirect expenses – The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales tax is susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – continued

Substantially all other revenues are recognized when they become available to the Police Jury. Based on the above criteria, ad valorem taxes, federal and state grants, and fines and forfeitures, and court costs have been treated as susceptible to accrual.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are recognized when due.

Other Financing Sources (Uses) – Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGETARY ACCOUNTING

Preliminary budgets for the ensuing year are prepared by the secretary treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. 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 then adopted during the Police Jury's regular December meeting, and a notice of the adoptions is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at the year end and must be re-appropriated in the next year's budget to be expended.

F. ENCUMBRANCE

Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is employed in governmental funds.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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 the laws of the United States.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Police Jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The Police Jury invests in authorized U.S. government securities. Investments are carried at fair market value based on quoted market prices. The Police Jury's intent is to hold all investments to maturity.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

J. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

K. CAPITAL ASSETS

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). The Police Jury has a capitalization threshold of \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. General assets are capitalized and valued at historical cost or estimated historical cost. Interest during construction was not capitalized on capital assets prior to January 1, 1999. Estimated useful life is management's estimate of how the asset is expected to meet services demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings and improvements	20-40 years
Equipment and furniture (including vehicles)	5-15 years
Books, periodicals and law books	10 years

L. FUND EQUITY

Beginning with fiscal year 2011, the Police Jury implemented GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

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

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

L. FUND EQUITY - continued

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

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

Assigned Fund Balance – amounts the Police Jury intends to use for a specific purpose. Intent is expressed by the Madison Parish Police Jury.

Unassigned Fund Balance – amounts that are available for any purpose. These amounts are reported only in the general fund.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Police Jury considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Police Jury considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Police Jury has provided otherwise their commitment or assignment actions.

M. COMPENSATED ABSENCES

Employees of the Police Jury receive 10 to 20 days of annual leave each year, depending on the length of service. A maximum of 5 days annual leave may be carried forward to the next year. Upon voluntary resignation or retirement, employees are compensated for annual leave accumulated to the date of separation. Sick leave is credited to a permanent full-time employee at the rate of 1 day for each month of continuous employment. Sick leave may accumulate to a maximum of 90 days. Upon retirement, all unused accumulated sick leave is used in retirement benefit computations as earned services.

N. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

O. USE OF ESTIMATES

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

P. RESTRICTED NET POSITION

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. Restricted net position reported by the Police Jury is restricted by enabling legislation.

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

Q. CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARDS AND RESTATEMENT OF NET POSITION

The Madison Parish Police Jury adopted Government Accounting Standards Board (GASB) Statement No. 75- *Accounting and Financial Reporting for Postemployments Benefits Other Than Pensions* ("GASB 75") to replace GASB 45. The effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, December 31, 2017	\$ 23,505,714
Net Change in OPEB Liability at December 31, 2018	7,445
Total Beginning Net Position, December 31, 2018, restated	<u>\$ 23,513,159</u>

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2018, the Police Jury has cash and cash equivalents totaling \$ 8,709,703 as follows:

Demand deposits	\$ 21,975
Interest bearing demand deposits	8,687,589
Petty cash	139
Total	<u>\$ 8,709,703</u>

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS – continued

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposits' insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand.

As of December 31, 2018, the book balance of the Police Jury's deposit was \$ 8,709,703 and the bank balance was \$9,062,893. Of the bank balance, \$ 944,140 was covered by federal depository insurance and \$8,118,753 by pledged securities.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTIBILITY

A. Deficit Fund Balances

The following funds have a deficit in the fund balance at December 31, 2018:

<u>Criminal Court</u>	\$	(796,408)
OHSEP		(8,395)
FEMA Disaster		(185,047)

B. Excess of Budgeted Revenues Over Actual Revenues in Individual Funds

Fund	Budget	Actual	Unfavorable Variances
General Fund	1,293,709	1,064,674	(229,035)
Library	614,100	595,784	(18,316)
Garbage Maintance	1,135,005	1,105,309	(29,696)
Health Unit	316,500	221,705	(94,795)
Public Works	2,472,700	2,399,658	(73,042)

C. Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds

The following funds had actual expenditures greater than budgeted expenditures for the year ended December 31, 2018.

Fund	Budget	Actual	Unfavorable Variance
General Fund	1,035,411	1,068,707	(33,296)
Library	435,500	479,912	(44,412)
Health Unit	126,397	132,012	(5,615)
Public Works	2,139,041	2,212,100	(73,059)
Courthouse and Jail	752,411	762,731	(10,320)
E-911	481,000	570,366	(89,366)

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4. LEVIED TAXES

The Police Jury levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Madison Parish Sheriff's Office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Levy date	No later than November 15 th
Tax bills mailed	October-November
Due date	December 31 st
Lien date	Date of filing in Clerk of Court's office
Tax sale – 2018 delinquent property	April, 2018

Assessed values are established by the Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all properties is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2017. Total assessed value was \$115,481,832, in calendar year 2018. Louisiana state law exempts the first \$7,500 of assessed value of taxpayer's primary residence from parish property taxes. This homestead exemption was \$10,640,161 of the assessed value in calendar year 2018.

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

All property taxes are recorded in the general fund, library, garbage maintenance, health unit, E-911, public works, and courthouse and jail funds. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2018 property taxes to be collected occurs in December of the current year and January and February of the next year. Historically, virtually all ad valorem taxes receivables were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4. LEVIED TAXES - continued

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2018:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General Fund/In	1.73	1.63	Indefinite
General Fund/Out	3.46	3.27	Indefinite
Health Unit	1.18	1.12	2022
Library	3.56	3.36	2022
Garbage Collection	9.03	8.69	2018
Drainage and Roads	17.10	16.47	2018
Courthouse and Jail	2.71	2.56	2022
Library 2002	1.94	1.89	2021
Health Unit 2002	1.50	1.47	2021
Courthouse and Jail 2007	7.00	6.74	2026
E-911	3.00	2.89	2026
Council on Aging	1.00	.97	2020
Public Transportation	1.00	1.00	2022
Fire	2.00	2.00	2026

The difference between authorized and levied mileages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

NOTE 5. DEPOSITS AND INVESTMENTS

At December 31, 2018, the Police Jury had the following investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
Government securities	Less than 1 year	\$ 2,768,608
Bank certificates of deposit		688,775
Total		<u>\$ 3,457,383</u>

Interest Rate Risk: The Police Jury's policy does not address interest rate risk.

Credit Risk: The Police Jury invests in certificate of deposit and U.S. Treasury securities which do not have credit ratings.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6. RECEIVABLES

The following is a summary of receivables at December 31, 2018:

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	E911 and Other Governmental	Total Governmental Fund	Government Wide
Taxes:									
Ad Valorem	\$572,036	\$498,339	\$395,047	\$ 135,911	\$ 1,888,876	\$ 858,048	\$262,759	\$4,611,016	\$5,336,043
Other taxes	20,826	-	-	-	-	-	-	20,826	20,826
Gaming	53,390	-	-	-	-	-	-	53,390	53,390
Other	9,799	-	63,041	8,400	15,648	-	65,624	162,512	357,241
Total	\$656,051	\$498,339	\$458,088	\$ 144,311	\$ 1,904,524	\$ 858,048	\$328,383	\$4,847,744	\$5,767,500

Historically, virtually all ad valorem taxes receivables were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 7. INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

Due from/to other funds:

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 794,707	General Fund	\$ 721,803
Garbage Maintenance	401,855	Garbage Maintenance	237
Health Unit	50,400	Public Works	431,426
Public Works	128,626	Courthouse and Jail	(2,182)
Courthouse and Jail	586,412	Other Governmental	820,866
E-911	9,411		
Other Governmental	739		
Total	\$ 1,972,150	Total	\$1,972,150

The interfund balances are loans between funds to cover operating expenses.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8. CAPITAL ASSETS

The following schedule presents changes in capital assets for the Police Jury:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Not subject to depreciation:				
Land	\$ 188,750	\$ -	\$ -	\$ 188,750
Quebec Road	3,771,405	-	-	3,771,405
Subject to depreciation:				
Health Unit	1,688,635	-	-	1,688,635
Buildings and improvements	6,329,028	-	-	6,329,028
Furniture and equipment	3,456,565	131,250	15,903	3,571,912
Books and periodicals	587,683	84,306	19,905	652,084
Total	<u>16,022,066</u>	<u>215,556</u>	<u>35,808</u>	<u>16,201,814</u>
Less accumulated depreciation				
Buildings and improvements	5,013,208	169,547	-	5,182,755
Furniture and equipment	3,047,835	100,160	15,903	3,132,092
Books and periodicals	478,186	65,208	19,905	523,489
Total	<u>8,539,229</u>	<u>334,915</u>	<u>35,808</u>	<u>8,838,336</u>
Governmental activities capital assets, net	<u>\$ 7,482,837</u>	<u>\$ (119,359)</u>	<u>\$ -</u>	<u>\$ 7,363,478</u>

Current year depreciation expense was charged to governmental activities for the Police Jury as follows:

Judicial	\$ 7,641
Elections	302
Other general government	59,443
Public safety	72,344
Public works	28,300
Health and welfare	57,819
Culture and recreation	109,066
Total	<u>\$ 334,915</u>

**MADISON PARISH POLICE JURY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018**

NOTE 9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan Description. The Madison Parish Police Jury (the Police Jury) provides certain continuing health care and life insurance benefits for its retired employees. The Madison Parish Police Jury's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Police Jury. The authority to establish and/or amend the obligation of the employer, employees and retirees' rests with the Police Jury. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

Benefits Provided. Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. Only employees hired prior to January 1, 2001, are eligible for benefits.

Life insurance coverage is not considered for this valuation.

Employees Covered by Benefit Terms. At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	3
	9

Total OPEB Liability

The Police Jury's total OPEB liability of \$363,238 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC)
	4.1%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The discount rate was based on the average of the Bond Buyers' 20-year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50% / 50% unisex blend.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009, to December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2017	\$	406,927
Changes for the year:		
Service cost		-
Interest		13,998
Differences between expected and actual experience		(11,279)
Changes in assumptions		(22,178)
Benefit payments and net transfers		(24,230)
Net changes		<u>(43,689)</u>
Balance at December 31, 2018	\$	<u>363,238</u>

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:

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
Total OPEB Liability	\$ 394,885	\$ 363,238	\$ 335,941

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 (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 337,068	\$ 363,238	\$ 393,006

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

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

For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$(19,459). At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Total	\$ -	\$ -

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

Years ending December 31:	
2019	-
2020	-
2021	-
2022	-
2023	-
Thereafter	-

NOTE 10. ACCOUNTS PAYABLE, SALARIES AND OTHER PAYABLES

At December 31, 2018, the Police Jury had the following payables:

	General Fund	Library Fund	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	E-911	Other Governmental	Total
Vendors	\$187,541	\$29,315	\$ -	\$ 10	\$29,491	\$ 36,957	\$ 93,010	\$236,148	\$612,472
Payroll	17,546	-	-	-	-	-	-	17,880	35,426
Total	\$205,087	\$29,315	\$ -	\$ 10	\$29,491	\$ 36,957	\$ 93,010	\$254,028	\$647,898

NOTE 11. COMPENSATED ABSENCES

At December 31, 2018, no accrual has been made for accumulated and vested employee benefits as this amount is deemed immaterial.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 12. LONG-TERM LIABILITIES

The following is a summary of the long-term liabilities' transactions and balances for the year ended December 31, 2018:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One year
Governmental Activities:					
Claims and judgments payable	177,500	-	-	177,500	-
Note payable	-	92,342	14,221	78,121	15,882
Net pension liability	629,560	-	846,425	(216,865)	-
OPEB obligation	414,372	-	51,134	363,238	-
Governmental Activities:					
Long-term liabilities	<u>\$ 1,221,432</u>	<u>\$ 92,342</u>	<u>\$ 911,780</u>	<u>\$ 401,994</u>	<u>\$ 15,882</u>

Future payment requirements are as follows:

	Principal	Interest
2019	\$ 15,882	\$ 3,090
2020	18,139	2,565
2021	19,020	1,684
2022	19,943	761
2023	5,137	41
Thereafter	323,873	-
	<u>\$ 401,994</u>	<u>\$ 8,141</u>

NOTE 13. INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2018, were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 5,111	\$ -
Other Governmental	23,663	28,774
Total	<u>\$ 28,774</u>	<u>\$ 28,774</u>

The purpose of the interfund transfers was to assist in covering operating expenses.

NOTE 14. 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 parish General Fund. However, for the year ended December 31, 2018, the Criminal Fund does not have a year-end balance for transfer. A balance of \$811,657 is due to the General Fund and \$388 is due to the Courthouse and Jail at December 31, 2018, for prior and current year transfers and loans.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 15. LITIGATION AND CLAIMS

At December 31, 2018, the Police Jury is involved in litigation or is aware of claims totaling \$177,500 that are not covered by insurance. Of this amount, \$177,500 has been recorded as a liability in the government-wide financial statements.

Grant Disallowances. The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 16. RISK MANAGEMENT

The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

NOTE 17. LEASES

During the year ended December 31, 2018, the Police Jury had nine ongoing operating leases necessary for the maintenance of the Parish road system. These leases have monthly payments ranging from \$999 to \$3,500. The lease terms are typically 36 to 60 months.

The future minimum lease payments are as follows:

Year Ended December 31st	Future minimum lease payments
2019	\$ 142,771
2020	109,822
2021	42,000
2022	42,000
2023	17,500
Total	\$ 354,093

NOTE 18. DEFICIT FUND BALANCE

The Criminal Court Fund was the only nonmajor special revenue fund with a significant deficit fund balance. If the deficit cannot be eliminated through future operations, the general fund will appropriate resources necessary to alleviate the deficit.

NOTE 19. PENSION PLAN

Substantially all employees of the Parish are members of the Parochial Employees' Retirement System (PERS). The plan is administered by a separate board of trustees and is a cost-sharing, multiple-employer defined benefit pension plan. The System issues annual, publicly- available financial reports that include financial statements and required supplementary information for the system. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org. All permanent employees working at least 28 hours per week are eligible to participate in the System.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury are members of Plan A.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 19. PENSION PLAN (Continued)

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after 7 years creditable service.

Eligibility for retirement for Plan A members hired on or after January 1, 2007, is as follows:

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

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

The System also provides death and disability benefits. Benefits are established or amended by state statute.

Contributions- Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.5% of their annual pay. The Parish's contractually required contribution rate was 12.5% for the period ended December 31, 2017, and 11.5% for period January 1, 2018, through December 31, 2018.

Contributions to the System from the Parish for December 31, 2018, 2017, and 2016, were \$379,935, \$ 394,933, and \$407,457, respectively, equal to the required contributions for each year.

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

At December 31, 2018, the Parish reported an asset of \$(216,865) for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Parish's proportion of the net pension liability was based on a projection of the Parish's December 31, 2018, contribution to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Parish's proportion was 0.292171%, which was a decrease of 0.013513% from its proportion measured as of December 31, 2016. For the year ended December 31, 2018, The Parish recognized pension expense of \$239,667. At December 31, 2018, the Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 19. PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 140,380
Net difference between projected and actual earnings on pension plan investments	-	501,016
Changes in proportion and differences between parish contributions and proportionate share of contributions	146	5,195
Change of assumption	273,713	-
Parish contributions subsequent to the measurement date	379,935	-
	\$ 653,794	\$ 646,591

\$379,935 reported as deferred outflows of resources related to pensions resulting from the Parish's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:

December 31, 2018	\$ 30,923
December 31, 2019	(34,958)
December 31, 2020	(170,123)
December 31, 2021	(198,574)

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 19. PENSION PLAN (Continued)

Actuarial Assumptions – A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2018, are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	6.25%, Net of Investment Expense, including inflation
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A - 5.25% (2.75% Merit / 2.50% Inflation)
Cost of Living Adjustments	The present value of future retirements 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 increase not yet authorized by the Board of Trustees.
Mortality	RP - 2000 Employee Sex Distinct Table was selected for employees. RP - 2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP - 2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.50%

The discount rate used to measure the total pension liability (asset) was 6.75%. 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 System'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 benefits payments to determine the total pension liability (asset).

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (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 7.62% for the year ended December 31, 2018.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 19. PENSION PLAN (Continued)

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 Asset Allocation</u>	<u>Long - Term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Total	<u>100%</u>	<u>5.62%</u>
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

The Mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010, through December 31, 2014. The data was 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 System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

Sensitivity of the Parish's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the Parish's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.65%, as well as what the Parish's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	<u>1.00% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1.00% Increase 7.75%</u>
The Parish's Proportionate Share of the Net Pension Liability	\$ 1,069,213	\$ (216,863)	\$ (1,362,028)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

NOTE 20. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 11, 2019, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

MADISON PARISH POLICE JURY

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets

General Fund

The General fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

Library

The Library fund accounts for the operations of the parish library. Financing is provided by a specific parish-wide ad valorem tax.

Garbage Maintenance

The Garbage Maintenance fund accounts for the operations of the parish-wide garbage collection process. Financing is provided by a specific parish-wide ad valorem tax and user fees.

Health Unit

The Health Unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parish-wide ad valorem tax.

Public Works

The Public Works fund accounts for the maintenance of the parish highways, streets, and bridges. Financing is provided by a specific parish-wide ad valorem tax.

Courthouse and Jail

The Courthouse and Jail fund accounts for the maintenance and operation of the courthouse and jail. Financing is provided by a specific parish-wide ad valorem tax.

E – 911

The E – 911 fund accounts for the operations of the Madison Parish Communications District. Financing is provided by a specific parish wide ad valorem tax.

**MADISON PARISH POLICE JURY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balance - beginning	\$ 675,624	\$ 675,624	\$ 675,624	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	560,069	560,069	451,094	(108,975)
Other taxes, penalties and interest	86,520	86,520	968	(85,552)
Licenses and permits	427,800	427,800	159,620	(268,180)
Intergovernmental revenues:				
Federal funds	9,260	9,260	7,259	(2,001)
State funds:				
State revenue sharing (net)	9,750	9,750	9,578	(172)
Severance taxes	-	-	34,159	34,159
Other	-	-	222,362	222,362
Fees, charges, and commissions for services	2,700	2,700	1,606	(1,094)
Fines and forfeitures	1,000	1,000	-	(1,000)
Use of money and property	410	410	6,830	6,420
Other revenues	196,200	196,200	171,198	(25,002)
Amounts available for appropriations	1,969,333	1,969,333	1,740,298	(229,035)
Charges to appropriations (outflows)				
General government:				
Legislative	105,816	105,816	126,349	(20,533)
Judicial	427,883	427,883	416,632	11,251
Elections	36,638	36,638	32,644	3,994
Finance and administration	158,110	158,110	154,883	3,227
Other general government	11,750	11,750	-	11,750
Public safety	129,500	129,500	152,257	(22,757)
Public works	8,290	8,290	171	8,119
Health and welfare	12,500	12,500	38,928	(26,428)
Culture and recreation	16,800	16,800	18,915	(2,115)
Economic development and assistance	83,124	83,124	59,411	23,713
Transportation	45,000	45,000	37,264	7,736
Miscellaneous	-	-	31,253	(31,253)
Total charges to appropriations	1,035,411	1,035,411	1,068,707	(33,296)
Budgetary Fund Balance - ending	933,922	933,922	671,591	(262,331)
Interfund transfer	-	-	5,111	5,111
GAAP Fund Balance - ending	\$ 933,922	\$ 933,922	\$ 676,702	\$ (257,220)

**MADISON PARISH POLICE JURY
LIBRARY
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balance - beginning	\$ 1,702,658	\$ 1,702,658	\$ 1,702,658	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	610,775	600,775	565,725	(35,050)
Intergovernmental revenues:				
Federal funds	-	-	7,576	7,576
State funds:				
State revenue sharing (net)	8,000	8,000	7,911	(89)
Other state grants	-	-	2,395	2,395
Fees, charges, and commissions for services	3,850	3,850	-	(3,850)
Fines and forfeitures	400	400	476	76
Use of money and property	1,075	1,075	8,712	7,637
Other revenues	-	-	2,989	2,989
	2,326,758	2,316,758	2,298,442	(18,316)
Amounts available for appropriations				
Charges to appropriations (outflows)				
Culture and recreation	563,627	435,500	395,606	39,894
Capital outlay	-	-	84,306	(84,306)
	563,627	435,500	479,912	(44,412)
Total charges to appropriations				
Budgetary Fund Balance - ending	\$ 1,763,131	\$ 1,881,258	\$ 1,818,530	\$ (62,728)

**MADISON PARISH POLICE JURY
GARBAGE MAINTENANCE
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balance - beginning	\$ 1,703,198	\$ 1,703,198	\$ 1,703,198	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	476,805	476,805	448,376	(28,429)
Intergovernmental revenues:				
Federal funds	14,700	14,700	12,012	(2,688)
State funds:				
State revenue sharing (net)	5,500	5,500	5,413	(87)
Fees, charges, and commissions for services	650,150	623,000	623,845	845
Use of money and property	3,000	15,000	15,663	663
Amounts available for appropriations	<u>2,853,353</u>	<u>2,838,203</u>	<u>2,808,507</u>	<u>(29,696)</u>
Charges to appropriations (outflows)				
Finance and administrative	50,147	-	-	-
Other general government	-	-	-	-
Public works	891,310	985,511	982,334	3,177
Total charges to appropriations	<u>941,457</u>	<u>985,511</u>	<u>982,334</u>	<u>3,177</u>
Budgetary Fund Balance - ending	1,911,896	1,852,692	1,826,173	(26,519)
Interfund transfer	-	21,723	-	(21,723)
GAAP Fund Balance - ending	<u>\$ 1,911,896</u>	<u>\$ 1,874,415</u>	<u>\$ 1,826,173</u>	<u>\$ (48,242)</u>

**MADISON PARISH POLICE JURY
HEALTH UNIT
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balance - beginning	\$ 1,731,486	\$ 1,731,486	\$ 1,731,486	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	293,080	253,500	157,485	(96,015)
Intergovernmental revenues:				
Federal funds	4,500	4,500	54,092	49,592
State funds:				
State revenue sharing (net)	54,900	54,900	4,466	(50,434)
Use of money and property	3,600	3,600	4,912	1,312
Other revenues	-	-	750	750
	2,087,566	2,047,986	1,953,191	(94,795)
Amounts available for appropriations				
Charges to appropriations (outflows)				
Health and Welfare	122,397	126,397	132,012	(5,615)
	122,397	126,397	132,012	(5,615)
Total charges to appropriations				
Budgetary Fund Balance - ending	\$ 1,965,169	\$ 1,921,589	\$ 1,821,179	\$ (100,410)

**MADISON PARISH POLICE JURY
PUBLIC WORKS
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balance - beginning	\$ 1,462,735	\$ 1,462,735	\$ 1,462,735	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,806,610	2,200,500	2,132,879	(67,621)
Other taxes and penalties	-	-	1,800	1,800
Intergovernmental revenues:				
Federal funds	27,900	27,900	22,756	(5,144)
State funds:				
State revenue sharing (net)	230,900	230,900	44,210	(186,690)
Parish transportation funds	-	-	187,058	187,058
Other state grants	-	-	-	-
Fees, charges, and commissions for services	650	650	44	(606)
Use of money and property	280	8,000	7,960	(40)
Other revenues	-	4,750	2,951	(1,799)
	<u>3,529,075</u>	<u>3,935,435</u>	<u>3,862,393</u>	<u>(73,042)</u>
Amounts available for appropriations				
Charges to appropriations (outflows)				
General government:				
Judicial	1,249,255	-	540	(540)
Elections	-	-	953	(953)
Finance and administration	-	-	73,474	(73,474)
Public works	589,786	2,139,041	2,119,817	19,224
Debt service	-	-	17,316	(17,316)
	<u>1,839,041</u>	<u>2,139,041</u>	<u>2,212,100</u>	<u>(73,059)</u>
Total charges to appropriations				
Budgetary Fund Balance - ending	<u>\$ 1,690,034</u>	<u>\$ 1,796,394</u>	<u>\$ 1,650,293</u>	<u>\$ (146,101)</u>

**MADISON PARISH POLICE JURY
COURTHOUSE AND JAIL
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amounts		Amounts	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Budgetary Fund Balance - beginning	\$ 7,722,028	\$ 7,722,028	\$ 7,722,028	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	-	1,000,000	986,330	(13,670)
Intergovernmental revenues:				
Federal funds	15,900	15,900	13,045	(2,855)
State funds:				
Other state grants	-	-	11,936	11,936
Fees, charges, and commissions for services	1,512,430	-	-	-
Use of money and property	12,000	13,700	64,132	50,432
Other revenues	-	-	7,085	7,085
Amounts available for appropriations	9,262,358	8,751,628	8,804,556	52,928
Charges to appropriations (outflows)				
General government:				
Judicial	-	-	2,550	(2,550)
Finance and administration	-	-	98,234	(98,234)
Other general government	752,411	752,411	-	752,411
Public safety	-	-	635,770	(635,770)
Capital outlay	-	-	26,177	(26,177)
Total charges to appropriations	752,411	752,411	762,731	(10,320)
Budgetary Fund Balance - ending	\$ 8,509,947	\$ 7,999,217	\$ 8,041,825	\$ 42,608

**MADISON PARISH POLICE JURY
E - 911
BUDGETARY COMPARISON SCHEDULE
DECEMBER 31, 2018**

	Budgeted Amount		Amounts (Budgetary basis)	Variance
	Original	Final		Favorable (Unfavorable)
Budgetary Fund Balance- beginning	\$ 1,418,428	\$ 1,418,428	\$ 1,418,428	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad Valorem	317,140	317,140	298,290	(18,850)
Other taxes and penalties	132,000	132,000	163,264	31,264
Intergovernmental revenues:				
Federal funds	4,800	4,800	3,995	(805)
Use of money & property	3,500	3,500	7,908	4,408
Other revenues	-	24,000	-	(24,000)
Amounts available for appropriations	<u>1,875,868</u>	<u>1,899,868</u>	<u>1,891,885</u>	<u>(7,983)</u>
Charges to appropriations (outflows)				
Public safety	360,159	481,000	557,635	(76,635)
Capital outlay	-	-	12,731	(12,731)
Total charges to appropriations	<u>360,159</u>	<u>481,000</u>	<u>570,366</u>	<u>(89,366)</u>
Budgetary Fund Balance - ending	<u>\$ 1,515,709</u>	<u>\$ 1,418,868</u>	<u>\$ 1,321,519</u>	<u>\$ (97,349)</u>

**MADISON PARISH POLICE JURY
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2018**

A. BUDGETS

General Budget Policies. Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. 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 then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be appropriated in the next year's budget to be expended.

For the year ended December 31, 2018, budgets were adopted for the general fund and for all special revenue funds, except the Criminal Court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

Appropriations lapse at year-end and must be appropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

Formal budgetary integration is employed as a management control device during the year.

Encumbrances. Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budget Basis of Accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when budgeted revenues within a fund are expected to exceed actual revenues by five percent or more and when actual expenditures exceed budgeted expenditures by five percent or more.

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**MADISON PARISH POLICE JURY
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2018 - continued**

B. EXCESS OF BUDGETED REVENUES OVER ACTUAL REVENUES IN INDIVIDUAL FUNDS

The following funds had budgeted revenues greater than actual revenues for the year ended December 31, 2018.

Fund	Budget	Actual	Unfavorable Variance
General Fund	\$1,293,709	\$1,064,674	\$ (229,035)
Library	614,100	595,784	(18,316)
Garbage Maintenance	1,135,005	1,105,309	(29,696)
Health Unit	316,500	221,705	(94,795)
Public Works	2,472,700	2,399,658	(73,042)

C. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES IN INDIVIDUAL FUNDS

The following funds had actual expenditures greater than budgeted expenditures for the year ended December 31, 2018:

Fund	Budget	Actual	Unfavorable Variance
General Fund	\$ 1,035,411	\$ 1,068,707	\$ (33,296)
Liabrary	435,500	479,912	(44,412)
Health Unit	126,397	132,012	(5,615)
Public Works	2,139,041	2,212,100	(73,059)
Courthouse & Jail	752,411	762,731	(10,320)
E-911	481,000	570,366	(89,366)

**MADISON PARISH POLICE JURY
TALLULAH, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Total OPEB Liability	
Service cost	\$ -
Interest	13,998
Changes of benefits terms	-
Differences between expected and actual experience	(11,279)
Changes of assumptions	(22,178)
Benefit payments	(24,230)
Net change in total OPEB liability	<u>(43,689)</u>
Total OPEB liability - beginning	<u>406,927</u>
Total OPEB liability - ending	<u><u>\$ 363,238</u></u>
Covered-employee payroll	\$ 270,650
Net OPEB liability as a percentage of covered-employee payroll	134.21%

Note to Schedule:

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

Changes of Assumptions. The discount rate as of 12/31/2017 was 3.44% and it changed to 4.10% as of 12/31/2018.

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

**MADISON PARISH POLICE JURY
TALLULAH, LOUISIANA
PAROCHIAL EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
DECEMBER 31, 2018**

<u>Fiscal Year*</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	0.338971%	\$ 92,678	\$ 1,922,942	4.48%	99.15%
2016	0.335608%	\$ 883,417	\$ 1,835,600	48.13%	92.23%
2017	0.305684%	\$ 629,560	\$ 1,798,356	35.01%	94.15%
2018	0.292171%	\$ (216,863)	\$ 1,857,231	(11.67%)	101.98%

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

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

**MADISON PARISH POLICE JURY
TALLULAH, LOUISIANA
PAROCHIAL EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2018**

<u>Fiscal Year*</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relations to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2015	\$ 278,827	\$ 278,827	\$ -	\$ 1,922,942	14.50%
2016	\$ 238,628	\$ 238,628	\$ -	\$ 1,835,600	13.00%
2017	\$ 224,795	\$ 224,795	\$ -	\$ 1,798,356	12.50%
2018	\$ 213,582	\$ 213,582	\$ -	\$ 1,857,231	11.50%

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

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

SUPPLEMENTAL INFORMATION

**MADISON PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018**

	Criminal Court	Memorial	Grant Fund	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Savings	Building Fund	OHSEP	Recreation Board	LCDBG	Total
Assets												
Cash and cash equivalents	\$ 20,130	\$ 10,216	\$ 11,282	\$ 22,921	\$ 9,682	\$ 3,264	\$ 108,583	\$ 49,125	\$ 1016	\$ 5,019	\$ 100	\$ 241,338
Receivables	36,187	-	-	1,760	-	-	-	-	-	-	5,581	43,528
Interfund Receivables	739	-	-	-	-	-	-	-	-	-	-	739
Total Assets	57,056	10,216	11,282	24,681	9,682	3,264	108,583	49,125	1016	5,019	5,681	285,605
Liabilities and Fund Balances												
Liabilities:												
Accounts, salaries and other payables	41,419	-	-	-	194,729	-	17,880	-	-	-	-	254,028
Interfund payables	812,045	-	(690)	100	-	-	-	-	9,411	-	-	820,866
Total Liabilities	853,464	-	(690)	100	194,729	-	17,880	-	9,411	-	-	1,074,894
Fund Balances (Deficit):												
Restricted	(796,408)	10,216	11,972	24,581	(185,047)	3,264	90,703	49,125	(8,395)	5,019	5,681	(789,289)
Total Liabilities and Fund Balances	\$ 57,056	\$ 10,216	\$ 11,282	\$ 24,681	\$ 9,682	\$ 3,264	\$ 108,583	\$ 49,125	\$ 1016	\$ 5,019	5,681	\$ 285,605

**MADISON PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/DEFICITS FOR THE YEAR ENDED DECEMBER 31, 2018**

	Criminal Court	Memorial	Grant Fund	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Building Fund	OHSEP	Recreation Board	LCDBG	Total
Revenues												
Local sources:												
License and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,564	\$ -	\$ -	\$ -	\$ 10,564
Intergovernmental revenues:												
Federal funds - federal grants	-	-	374	-	309,883	-	-	-	-	-	111,042	421,299
State funds:												
State Revenue Sharing	-	-	-	-	-	-	-	-	13,855	-	-	13,855
Other	-	-	57,203	-	-	-	-	-	-	-	286,185	343,388
Fees, charges, and commissions for services												
	21,847	-	-	22,113	-	-	-	-	-	-	-	43,960
Fines and forfeitures	357,585	-	-	-	-	-	-	-	-	-	-	357,585
Use of money and property	221	21	-	169	-	13	310	591	-	66	-	1,391
Other revenues	43,309	-	-	-	-	-	-	-	378	-	-	43,687
Total Revenues	422,962	21	57,577	22,282	309,883	13	310	11,155	14,233	66	397,227	1,235,729
Expenditures												
Current:												
General government:												
Judicial	645,803	-	-	1,500	-	-	-	-	-	-	-	647,303
Finance and administrative	-	-	-	-	-	-	-	2,904	-	-	-	2,904
Public works	-	-	-	-	504,612	-	-	-	-	-	113,670	618,282
Health and welfare	-	-	60,130	-	-	-	-	-	20,838	-	-	80,968
Culture and recreation	-	168	-	-	-	-	-	-	-	700	-	868
Transportation	-	-	1,678	-	-	-	-	-	-	-	277,976	279,654
Miscellaneous	-	-	-	-	-	-	179	1,253	-	-	-	1,432
Total Expenditures	645,803	168	61,808	1,500	504,612	-	179	4,157	20,838	700	391,646	1,631,411
Excess (Deficiency) of Revenues Over Expenditures												
	(222,841)	(147)	(4,231)	20,782	(194,729)	13	131	6,998	(6,605)	(634)	5,581	(395,682)
Other Financing Sources (Uses)												
Transfers in	23,663	-	-	-	-	-	-	-	-	-	-	23,663
Transfers out	-	-	-	(23,663)	(5,111)	-	-	-	-	-	-	(28,774)
Total Other financing Sources (Uses)	23,663	-	-	(23,663)	(5,111)	-	-	-	-	-	-	(5,111)
Net Change in Fund Balances												
	(199,178)	(147)	(4,231)	(2,881)	(199,840)	13	131	6,998	(6,605)	(634)	5,581	(400,793)
Fund Balances - beginning												
	(597,230)	10,363	16,203	27,462	14,793	3,251	90,572	42,127	(1,790)	5,653	100	(388,496)
Fund Balances - ending												
	\$ (796,408)	\$ 10,216	\$ 11,972	\$ 24,581	\$ (185,047)	\$ 3,264	\$ 90,703	\$ 49,125	\$ (8,395)	\$ 5,019	\$ 5,681	\$ (789,289)

MADISON PARISH POLICE JURY

GENERAL

COMPENSATION PAID POLICE JURORS. 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 Madison Parish Police Jury members is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2018**

Robert D. Fortenberry, President	\$ 24,000
Patricia A. Bunchanan	19,200
Johnny Hughes	19,200
Stanley Ogden	19,200
Jane G. Sanders	<u>19,200</u>
Total	<u>\$ 100,800</u>

**MADISON PARISH POLICE JURY
TALLULAH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
REIMBURSEMENTS AND OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2018**

Robert D. Fortenberry, President

Salary and expense amount	\$	25,004
Reimburse - travel		-
		<hr/>
Total	\$	<u>25,004</u>

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Madison Parish Police Jury, a component unit of the Madison Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Madison Parish Police Jury's basic financial statements, and have issued our report thereon dated June

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Madison Parish 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 Madison Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the Madison 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Madison Parish 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are identified as 18-01 and 18-02 in the schedule of findings and questioned costs.

Purpose of this Report

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

The Halford Firm, PLLC

Vicksburg, Mississippi
August 11, 2019

**MADISON PARISH POLICE JURY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2018**

Part I – Summary of the Auditor’s Results:

1. The type of audit report was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund and the aggregate remaining fund information of the Madison Parish Police Jury.
2. There were no deficiencies in internal control over financial reporting disclosed in the audit of the financial statements.
3. Two instances of noncompliance were disclosed in the audit of the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**Part II – Findings related to the financial statements that are required to be reported under
Government Auditing Standards:**

18-01 Local Budget Act

Finding:

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. The Police Jury had actual revenues less than budgeted revenues by more than five percent in the General Fund and Health Unit Fund. The Police Jury had actual expenditures which exceeded budgeted expenditures greater than five percent in the Library and E911 Funds. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.

Recommendation:

The Police Jury should monitor the budget closely and amend the budget as necessary in order to comply with the Local Government Budget Act.

Management’s Response:

The Police Jury concurs with the finding and will monitor and amend the budget as necessary in the future.

18-02 Failure to File Audit Report Timely

Finding:

Louisiana Revised Statute 24:513 requires all audit engagements to be completed and transmitted to the Legislative Auditor within six months of the close of the fiscal year end. Accordingly, the Madison Parish Police Jury’s audit for the year ended December 31, 2018, was due to the Legislative Auditor by June 30, 2018.

Cause:

The Police Jury had to terminate its bookkeeper in the beginning of the year because she committed forgery and theft in the prior year. The Police Jury was unable to locate and train a new bookkeeper in time to have their financial records in condition for the audit to be completed timely.

**MADISON PARISH POLICE JURY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED DECEMBER 31, 2017**

Recommendation:

The Police Jury should hire the personnel adequate to keep the financial records up to date.

Management's Response:

The Police Jury has hired a bookkeeper and should be able to provide the financial records in a timely manner in the future.

**MADISON PARISH POLICE JURY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED DECEMBER 31, 2018**

The following is a summary of the status of the prior year findings included in the auditor's report dated June 12, 2017, covering the examination of the financial statements of the Madison Parish Police Jury as of and for the year ended December 31, 2017.

17-01 Local Budget Act

Finding:

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. The Police Jury had actual revenues less than budgeted revenues by more than five percent in the General Fund. The Police Jury had actual expenditures which exceeded budgeted expenditures greater than five percent in the revenue by more than five percent in the Courthouse and Jail Fund. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.

Status:

This finding was not resolved by December 31, 2018, and is a repeat finding for the current year.

17-02 Failure to File Audit Report Timely

Finding:

Louisiana Revised Statute 24:513 requires all audit engagements to be completed and transmitted to the Legislative Auditor within six months of the close of the fiscal year end. Accordingly, the Madison Parish Police Jury's audit for the year ended December 31, 2017, was due to the Legislative Auditor by June 30, 2018.

Status:

This finding was not resolved and is a repeat finding for the current year.

17-03 Fraud and Misappropriation of Funds

Finding:

In early 2018, the Police Jury discovered that the administration's bookkeeper, Margaret Whitney, was embezzling funds from the Library Fund. She was creating fraudulent invoices in the accounts payable system, and would intercept the checks, forge the payee's signature, and cash them. The amounts identified were \$10,275 in 2016, \$20,410 in 2017, and \$800 in 2018.

Status:

This finding was resolved.

**STATEWIDE
AGREED-UPON PROCEDURES**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Police Jurors
and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the Madison Parish Police Jury and the Louisiana Legislative Auditor (LLA), solely to assist the users in evaluating management's assertions about the Madison Parish Police Jury's compliance with certain laws and regulations during the fiscal year ended December 31, 2018, included in the Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures (SAUPs). The Madison Parish Police Jury's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 findings are as follows:

Written Policies and Procedures

1. 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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Written Policies and Procedures - continued

- 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 42:1111-11121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirements 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.

The Madison Parish Police Jury has written policies and procedures for the above listed items, with the exception of contracting, credit cards, and debt service.

Board or Finance Committee

- 2. 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.

The governing board met (with a quorum) two times each month in 2018.

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Written Policies and Procedures – continued

Board or Finance Committee - continued

- 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 fund.

The minutes did not reference budget-to-actual comparison in 2018.

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

The minutes did reference non-budgetary financial information.

Bank Reconciliations

- 3. 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 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

All reconciliations included evidence that they were prepared within two months of the statement closing date.

- 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

The reconciliations did not included evidence that they were reviewed by a member of management.

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

None of the reviewed reconciliations had items that had been outstanding for more than six months.

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Written Policies and Procedures – continued

Collections

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

The Jury has two deposit sites (the main office and the library)

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 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.

Cash drawers are not shared.

- 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.

Employees responsible for collecting cash are not responsible for preparing or making bank deposits.

- 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.

Employees responsible for collecting cash are not responsible for posting related entries to the general ledger or subsidiary ledgers.

- 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.

Employees responsible for reconciling cash collection to the general ledger are not responsible for collecting cash.

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

All employees with access to cash are bonded.

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Written Policies and Procedures – continued

Collections - continued

7. Randomly select two deposit dates for each of the 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 6 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, systems report, 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 business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100)
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted as result of applying there Agreed-Upon Procedure.

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

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

All payments are processed in the Police Jury's main office in the Madison Parish Court House. (One location).

9. 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 jobs 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.

At least two employees are involved in initiating, approving and making a purchase.

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Written Policies and Procedures – continued

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

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

At least two employees are involved 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.

The accounts payable clerk can add vendors to the vendor list.

- 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.

The employee who processes payments does not mail the payment.

10. 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 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.

No exceptions were noted as a result of applying there Agreed-Upon on Procedures.

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

11. 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.

The Police Jury has only one credit card and it is only used only for travel related expenses.

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Written Policies and Procedures – continued

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

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

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions, observe that 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).

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during fiscal period and management's representation that the listing or general ledger is complete. Randomly select 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 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.

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Written Policies and Procedures – continued

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

- 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.

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, lease, 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 5 contracts (or all contracts if less than 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).
 - 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 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

Payroll and Personnel

- 16. Obtain a listing employees/elected official employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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Written Policies and Procedures – continued

Payroll and Personnel – continued

- 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 officials are 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 employee/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. 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 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.
19. 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.

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

Ethics

20. Using the 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 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.

The documentation that one jury member completed ethics training could not be located.

Debit Service

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

continued

Written Policies and Procedures – continued

Debit Service – Continued

22. Obtain a listing of bond/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

Other

23. 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.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted as a result of applying these Agreed-Upon Procedures.

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 an 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 Louisiana Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
June 11, 2019