

**POINTE COUPEE PARISH POLICE JURY**

New Roads, Louisiana

**FINANCIAL REPORT**

December 31, 2018

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

To Major Thibaut, Parish President and  
the Parish Council of the Pointe Coupee  
Parish Government  
New Roads, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Police Jury (Police Jury), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury 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 of material misstatement.

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

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

### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

The financial statements referred to above do not include financial data for most of 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 Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the aggregate discretely presented component units financial statements has not been determined.

### **Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter described 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 Pointe Coupee 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 Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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.

### **Change in Accounting Principle**

As described in Note 12 to the financial statements, in 2018, the Pointe Coupee Parish Police Jury adopted new accounting guidance, GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### **Emphasis of Matter**

As described in Note 20 to the financial statements, the 2018 financial statements have been restated to correct a material misstatement. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, on pages 4 through 15 and 81 through 89, 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 Point Coupee Parish Police Jury's basic financial statements. The other supplementary information on pages 91 through 97 and 102 through 103, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The schedule of Compensation, Benefits and Other Payments to Agency Heads, and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 11, 2019 on our consideration of the Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pointe Coupee Parish Police Jury's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Baton Rouge, Louisiana  
June 11, 2019

# POINTE COUPEE PARISH POLICE JURY

New Roads, Louisiana

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of Pointe Coupee Parish Police Jury's (the Police Jury) financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2018. Please read it in conjunction with the Police Jury's financial statements, which begin on page 16. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements which begin on Exhibit A.

### FINANCIAL HIGHLIGHTS

In 2018, the Police Jury experienced a prosperous year financially. The Police Jury recognized increases in sales taxes. Additionally, a decrease in expenses was recognized when comparing 2017 to 2018 total expense incurred. The Police Jury maintained a logical and thoughtful alignment of Police Jury resources to community needs as a result of these changes in revenue.

The major financial highlights for 2018 are as follows:

- Assets and deferred outflows of resources of the Police Jury's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by \$20.8 million (net position).
- The primary government's total net position increased by \$2.4 million during 2018.

Governmental activities' net position increased by \$1.7 million, primarily as a result of increases in sales tax revenue of \$117,000. Additionally, the Police Jury experienced decreases general government expenses of \$830,000 while experiencing increases in drainage and transportation and development of \$265,000 and \$191,000, respectively.

Business-type activities total net position of the Police Jury increased by approximately \$681,000 during 2018. The increase was the result of an increase in charges for services of \$241,000, increase in sales tax revenues of \$24,000, and a decrease in expenses of \$162,000.

- As of the end of the year, the primary government's governmental funds reported combined fund balances of approximately \$5.9 million, an increase of \$1.2 million from prior year.
- The Police Jury's restricted governmental fund balance was \$3.5 million. The restricted fund balances are located in Road Construction Fund (\$650,000), and Debt Service Road Improvement Fund (\$2.8 million).

Significant aspects of the Police Jury's financial well-being, as of and for the year ended December 31, 2018, are detailed throughout this analysis.

## USING THIS ANNUAL REPORT

With the implementation of Governmental Accounting Standards Board Statement 34, a government's presentation of financial statements focuses on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and enhance the Police Jury's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 16 and 17) provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Fund financial statements start on page 18. For governmental funds, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Police Jury's operations in more detail than the government-wide statements by providing information about the Police Jury's most significant funds.

Our auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required supplemental information and the supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

### **Reporting the Police Jury as a Whole**

The analysis of the Police Jury as a whole begins on page 16. The Statement of Net Position and the Statement of Activities report information about the Police Jury as a whole and about its activities in a manner to determine if the Police Jury is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods 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. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

You can think of the Police Jury's net position—the difference between assets, deferred outflows, deferred inflows, and liabilities—as 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 are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the Police Jury's property and sales tax base and the condition of the Police Jury's roads and buildings, need to be considered to assess the overall well-being of the Police Jury.

In the Statement of Net Position and the Statement of Activities, two kinds of activities are presented, as follows:

**Governmental activities** - Most of the Police Jury's basic services are reported here, including, public safety, transportation and development, health and welfare, culture and recreation, drainage, economic development, and general administration. Property, sales taxes, franchise taxes, charges for services and state and federal grants finance most of these activities.

**Business-type activities** – the Police Jury charges a fee to customers to cover all or most of the cost of certain services it provides. The Police Jury charges for various services including operations of the multi-use center, gas distribution and solid waste disposal services are reported here.

At December 31, 2018, the Police Jury's net position was \$20.8 million for both governmental and business-type activities. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Police Jury's ability to use that net position for day-to-day operations.

The analysis of the primary government focuses on the net position and change in net position of the Police Jury's governmental activities and is as follows:

Pointe Coupee Parish Police Jury  
Statement of Net Position  
December 31, 2018 and 2017  
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 (1)	2018	2017 (1)	2018	2017 (1)
Current and other assets	\$ 6,776	\$ 5,705	\$ 2,026	\$ 1,412	\$ 8,802	\$ 7,117
Capital assets	23,652	24,095	1,932	1,972	25,584	26,067
<b>Total assets</b>	<b>30,428</b>	<b>29,800</b>	<b>3,958</b>	<b>3,384</b>	<b>34,386</b>	<b>33,184</b>
Deferred outflows of resources	350	755	94	126	444	881
Current and other liabilities	738	1,106	1,004	1,123	1,742	2,229
Long-term liabilities	11,150	12,891	212	347	11,362	13,238
<b>Total liabilities</b>	<b>11,888</b>	<b>13,997</b>	<b>1,216</b>	<b>1,470</b>	<b>13,104</b>	<b>15,467</b>
Deferred inflows of resources	773	179	146	31	919	210
Net position:						
Net investment in capital assets	15,468	15,060	1,721	1,716	17,189	16,776
Restricted	3,642	3,330	101	155	3,743	3,485
Unrestricted	(993)	(2,011)	868	138	(125)	(1,873)
<b>Total net position</b>	<b>\$ 18,117</b>	<b>\$ 16,379</b>	<b>\$ 2,690</b>	<b>\$ 2,009</b>	<b>\$ 20,807</b>	<b>\$ 18,388</b>

(1) Restated, See note 20.

Net position of the Police Jury's governmental activities increased by 10.6% or \$1.7 million during 2018. The increase in governmental net position was attributable to increase in sales taxes and decreases in operational expenses.

Additionally, unrestricted net position in governmental activities increase by \$1 million. Unrestricted net position represents the 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. At December 31, 2018, the governmental activities had unrestricted deficit in net position of \$993,000. This deficit was caused due to recording of the Police Jury's other postemployment benefit obligation and net pension obligations, as required by GASB 68 and GASB 75. The changes in net position are discussed later in this analysis.

The net position of the Police Jury's business-type activities increased by \$681,000 during 2018. The Police Jury has multiple utility oriented operations including natural gas and solid waste along with operating a multi-use center. The primary focus of these funds is to operate on a profitable basis with no governmental funds used to subsidize these operations.

(continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities, are as follows:

Pointe Coupee Parish Police Jury  
Changes in Net Position  
For the years ended December 31, 2018 and 2017  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,259	\$ 1,210	\$ 3,892	\$ 3,651	\$ 5,151	\$ 4,861
Operating grants and contributions	1,745	1,873	-	-	1,745	1,873
Capital grants and contributions	788	1,618	-	-	788	1,618
General revenues:						
Ad valorem taxes	1,623	1,535	-	-	1,623	1,535
Sales taxes	3,260	3,143	686	662	3,946	3,805
Other	165	280	-	-	165	280
Total revenues	<u>8,840</u>	<u>9,659</u>	<u>4,578</u>	<u>4,313</u>	<u>13,418</u>	<u>13,972</u>
Functional/Program expenses:						
General government	2,481	3,311	-	-	2,481	3,311
Public safety	1,211	1,254	-	-	1,211	1,254
Transportation and development	1,586	1,395	-	-	1,586	1,395
Health and welfare	155	141	-	-	155	141
Culture and recreation	533	483	-	-	533	483
Drainage	1,199	934	-	-	1,199	934
Economic development	113	97	-	-	113	97
Business-type expenses	-	-	3,349	3,511	3,349	3,511
Interest on long-term debt	371	264	-	-	371	264
Total expenses	<u>7,649</u>	<u>7,879</u>	<u>3,349</u>	<u>3,511</u>	<u>10,998</u>	<u>11,390</u>
Increase (decrease) in net position before transfers	1,191	1,780	1,229	802	2,420	2,582
Transfers	<u>548</u>	<u>448</u>	<u>(548)</u>	<u>(448)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	1,739	2,228	681	354	2,420	2,582
Beginning net position, as restated	<u>16,379</u>	<u>14,151</u>	<u>2,009</u>	<u>1,655</u>	<u>18,388</u>	<u>15,806</u>
Ending net position	<u>\$ 18,118</u>	<u>\$ 16,379</u>	<u>\$ 2,690</u>	<u>\$ 2,009</u>	<u>\$ 20,808</u>	<u>\$ 18,388</u>

Revenues decreased by \$819,000 for governmental activities primarily due to decrease in capital grants and contributions. Additionally, expenses decreased by \$230,000 for governmental activities, which is primarily due to a decrease in general government and public safety of \$830,00 and \$43,000, respectfully, along with an increase in drainage and transportation and development of \$265,000 and \$191,000, respectfully. Revenues for business type activities increased by \$265,000, primarily related to an increase in charges for services in the natural gas system. Expenses related to the natural gas system decrease by \$162,000 and expenses decreased due to a decrease in cost of natural gas purchased.

**Component units** - The government-wide financial statements include not only the Police Jury, but also legally separate entities for which the Police Jury is financially accountable. Financial information for these component units is reported separately from the financial information presented for the Police Jury. These separate legal entities are listed below:

**Component Units**

Port of Pointe Coupee	Sewer District No. 1
Mosquito Abatement	Sewer District No. 3A
Mandela Sewer District	Sewer District No. 4
Legonniere Sewer District	

**Fund Financial Statement**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than generic fund types.

**Reporting the Police Jury's Most Significant Funds**

An analysis of the Police Jury's major funds begins on page 18 with the fund financial statements that 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 or by bond covenants. However, the Police Jury establishes other funds to control and manage money for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's two kinds of funds—governmental and proprietary—use different accounting approaches.

**Governmental funds**—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Police Jury's basic services are reported in governmental funds. These funds 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 general government operations and the basic services it provides. The governmental fund provides information to 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 governmental funds in reconciliation to the financial statements. The governmental major funds (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the Police Jury.

**Proprietary funds**—When the Police Jury charges customers for the services it provides—whether to outside customers or to other units of the Police Jury—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Police Jury’s enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**Fiduciary funds**—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Police Jury’s own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-12.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Police Jury's major funds and information regarding the Police Jury’s proportionate share in public pension plans. The required supplementary information can be found on Exhibits B through B-8.

Certain supplementary financial information can be found in Exhibits C through C-4. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

(continued)

## Financial Analysis of the Government's Funds

The general government operations of the Police Jury are accounted for in the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Fund. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Police Jury's financing requirements.

The following is a summary of major funds for 2018 by fund type with a comparative total for 2017:

	(in thousands)					
	2018				2017	
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Totals	Totals
Revenues and other proceeds	\$ 3,565	\$ 2,888	\$ 1,716	\$ 625	\$ 8,794	\$ 9,716
Expenditures	3,115	3,232	1,072	690	8,109	10,802
Transfers (net)	(227)	1,195	(420)	-	548	630
Surplus (deficit)	223	851	224	(65)	1,233	(456)
Beginning fund balance as restated	671	640	2,615	716	4,642	5,098
Ending fund balance	<u>\$ 894</u>	<u>\$ 1,491</u>	<u>\$ 2,839</u>	<u>\$ 651</u>	<u>\$ 5,875</u>	<u>\$ 4,642</u>

The Police Jury's major governmental funds showed an increase in fund balances of \$1.2 million during 2018. In addition to revenues from major funds decreasing by \$922,000, major fund expenditures decreased by \$2.7 million primary from decreases in expenditures in capital project funds of \$2.3 million when compared to 2017.

At year end, total governmental fund balances were \$5.9 million, with \$3.5 million as restricted and \$1.5 million as committed to be used by internally designated purposes by the Police Jury.

The General Fund is the chief operating fund of the Police Jury. At the end of the fiscal year, fund balance of the General Fund ended at approximately \$894,000, which was an increase of \$223,000 from the prior year fund balance of \$671,000. Of the \$894,000 in General Fund's fund balance, \$803,000 is unassigned.

The Police Jury's other major governmental funds are the Parishwide Drainage Fund, Roads and Bridges Fund, Detention Center Fund special revenue funds, the Road Construction Fund capital project fund, Debt Service Road Improvement Fund and Grants and Capital Outlay Fund capital project fund. The Parishwide Drainage Fund increased by \$293,000 whereas the Road Construction Fund decreased by \$41,000. The Debt Service Road Improvement Fund's fund balance increased by \$224,000 ending at \$2.8 million as a result of increased sales taxes collected. The Detention Center Fund's fund balance ended at a surplus of \$13,000, an increase from the prior deficit of \$412,000, primarily as a result of transfers in of \$700,000.

Sources of governmental fund revenues, excluding transfers, are summarized below.

Source of Revenue	(in thousands)			
	2018		2017	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 4,926	56	\$ 4,738	49
Intergovernmental	2,560	29	3,517	36
Charges for services	795	9	848	8
Miscellaneous	513	6	613	7
Total	\$ 8,794	100	\$ 9,716	100

Revenues of the governmental funds decreased due to decreases in taxes and intergovernmental revenues.

Revenues of \$5 million out of the \$8.8 million recognized in 2018 were dedicated for special purposes. The remaining \$3.8 million in the General Fund was available to fund a number of Police Jury services. These unrestricted revenues supported public safety, health and welfare, all Police Jury administrative functions, and mandated costs for certain parish agencies, such as the Parish Court, and District Attorney. As noted above, the Police Jury's ongoing activities are largely supported by tax revenues, which represent 56% of total governmental resources.

Expenditures of the primary governmental funds decreased \$2.7 million in 2018. Expenditures for general governmental functions for each major function are summarized in the following table.

Function	(in thousands)			
	2018		2017	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 2,654	33	\$ 2,450	23
Health and welfare	156	2	141	1
Culture and recreation	487	6	434	4
Public safety	1,180	15	1,225	11
Drainage	920	11	934	9
Highways and streets	781	10	639	6
Economic development	113	1	97	1
Debt service	1,176	15	1,142	10
Capital outlay	640	8	3,738	35
Total	\$ 8,109	100	\$ 10,802	100

The largest increase in spending occurred in general government of \$204,000 or 8.3% increase over the prior year. The largest decrease in spending occurred in capital outlay in which spending decreased by \$3.1 million or 82.8%, which was due to the 2016 road project activity which occurred in 2017.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Police Jury’s General Fund’s budget was amended on several occasions. The amendment of the operating and capital budgets is a customary practice of the Parish and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2018 were as follows:

- To increase tax revenues by \$30,000,
- To decrease intergovernmental revenues by \$52,000,
- To increase general government expenditures by \$254,000,
- To increase public safety expenditures by \$43,000,
- To decrease debt service expenditures by \$48,000, and
- To increase transfers out by \$275,000.

The actual charges to appropriations (expenditures) was \$146,000 more than the related final budget appropriations of \$3.4 million.

Revenues and other resources available for appropriation were \$4.1 million, which includes expenditures (\$3.2 million) and transfers to other funds (\$800,000). The operating surplus in the General Fund for 2018 was \$223,000 and the ending fund balance was \$894,000 at December 31, 2018.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2018, the primary government had \$25.6 million invested in a broad range of capital assets, including heavy equipment for road and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, infrastructure, and natural gas systems.

Capital Assets at year-end (in thousands)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 749	\$ 743	\$ 45	\$ 45	\$ 794	\$ 788
Construction in progress	7,510	11,344	74	29	7,584	11,373
Buildings and improvements	2,149	2,305	1,813	1,898	3,962	4,203
Machinery and equipment	480	499	-	-	480	499
Infrastructure	12,764	9,204	-	-	12,764	9,204
Total assets, net of depreciation	<u>\$ 23,652</u>	<u>\$ 24,095</u>	<u>\$ 1,932</u>	<u>\$ 1,972</u>	<u>\$ 25,584</u>	<u>\$ 26,067</u>

During 2018, capital assets of the Police Jury decreased a net of \$443,000. This decrease is attributed to capital outlay expenditures in 2018 of \$779,000, offset by depreciation expense of \$1.2 million.

Roads maintained by the Police Jury include certain bridges, which are supported by both wood and concrete surfaces. The Police Jury has elected to record infrastructure on a prospective basis

in accordance with GASB 34 provisions. As a result, only certain infrastructure improvements made from 2002 through 2018 have been recorded and depreciated.

The Police Jury maintains various natural waterways throughout Pointe Coupee Parish, including False River. Manmade structures, such as bulkheads, are capitalized and depreciated in the government-wide financial statements, while maintenance items, such as dredging, are expensed. There were various construction projects such as road maintenance, drainage, rehabilitation project and the Ecosystem Restoration projects that were in progress at December 31, 2018. More detailed information about the Police Jury’s capital assets is presented in Note 7 to the financial statements.

**Debt**

At year-end, the Police Jury had approximately \$11.3 million in bonds, notes, other post-employment benefits, net pension liability and capital leases outstanding versus approximately \$13 million last year. Long-term debt transactions for the year were as follows:

	(Restated) Beginning of Year	Additions	Deletions	End of Year
Governmental activities	\$ 12,891,247	\$ 100,240	\$ 1,841,254	\$ 11,150,233
Business-type activities	346,519	-	134,769	211,750
	<u>\$ 13,237,766</u>	<u>\$ 100,240</u>	<u>\$ 1,976,023</u>	<u>\$ 11,361,983</u>

The Police Jury retired \$2.0 million in debt in 2018. The State of Louisiana limits the amount of general obligation debt that municipalities can issue to 35 percent of the assessed value of all taxable property within the Police Jury’s corporate limits. The Police Jury’s outstanding general obligation debt is significantly below this \$173 million state-imposed limit. A more detailed information about the Police Jury’s long-term liabilities is presented in Notes 8, 10, and 12 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The Police Jury's elected and appointed officials considered many factors when setting the fiscal-year 2019 budget and tax rates. One of those factors is the economy. The Police Jury's major economic industries are agriculture, manufacturing, electrical generating and distribution, and tourism to False River. These activities have a major impact on the local economy and Pointe Coupee's labor force. Other important industries include government, construction, banking and financial services, medical, utility, and wholesale and retail trade.

An important factor affecting the budget is the ad valorem, sales and other tax collections that approximate 43% of budgeted revenue. The Police Jury budgeted a 5.6% decrease in revenues from charges for services for 2019 when compared to the final 2018 adopted budget. Additionally, the 2019 operating budget expenditures provide for increases in debt service, public safety, and general government.

Appropriations of the General Fund budget for 2019 are expected to remain consistent with 2018 actual expenditures of \$3.1 million. Sales and property taxes, licensing fees, grant revenue and funding from the Police Jury's oil severance are expected to fund the budgeted expenditures.

### **Contacting the Police Jury's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Police Jury's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Police Jury's Finance Office at (225) 638-9556 or 160 East Main Street, New Roads, Louisiana, 70760.

# POINTE COUPEE PARISH POLICE JURY

## STATEMENT OF NET POSITION

December 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Business-Type Activities
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,112,493	\$ 683,281	\$ 4,795,774	\$ 468,574
Investments	-	-	-	181,445
Accounts receivable, net	1,991,167	939,339	2,930,506	93,762
Due from other governments	569,069	60,146	629,215	44,859
Due from fiduciary funds	134,745	-	134,745	-
Internal balances	(300,000)	300,000	-	-
Prepaid items	90,211	-	90,211	9,709
Other assets	24,750	-	24,750	-
Net pension asset	153,833	43,315	197,148	-
Capital assets:				
Non-depreciable	8,259,644	119,432	8,379,076	81,400
Depreciable, net	15,392,981	1,812,811	17,205,792	3,826,370
Total assets	<u>30,428,893</u>	<u>3,958,324</u>	<u>34,387,217</u>	<u>4,706,119</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension liability	349,720	93,588	443,308	-
Total assets and deferred outflows of resources	<u>\$ 30,778,613</u>	<u>\$ 4,051,912</u>	<u>\$ 34,830,525</u>	<u>\$ 4,706,119</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 345,279	\$ 161,483	\$ 506,762	\$ 38,320
Due to other governments	392,380	-	392,380	155,000
Customer meter deposits	-	843,373	843,373	-
Long-term payables:				
Due within one year	954,155	45,601	999,756	25,543
Due in more than one year	7,446,614	166,148	7,612,762	1,248,769
Other post-employment benefits	2,696,790	-	2,696,790	-
Net pension liability	52,675	-	52,675	-
Total liabilities	<u>11,887,893</u>	<u>1,216,605</u>	<u>13,104,498</u>	<u>1,467,632</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other postemployment benefits	246,405	-	246,405	-
Pension liability	527,006	145,718	672,724	-
Total deferred inflows of resources	<u>773,411</u>	<u>145,718</u>	<u>919,129</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>12,661,304</u>	<u>1,362,323</u>	<u>14,023,627</u>	<u>1,467,632</u>
<b>NET POSITION</b>				
Net investment in capital assets	15,468,095	1,720,494	17,188,589	2,633,458
Restricted for:				
Road construction and maintenance	650,467	-	650,467	-
Debt service	2,838,516	58,156	2,896,672	149,639
Net pension asset	153,833	43,315	197,148	-
Unrestricted	(993,602)	867,624	(125,978)	455,390
Total net position	<u>18,117,309</u>	<u>2,689,589</u>	<u>20,806,898</u>	<u>3,238,487</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 30,778,613</u>	<u>\$ 4,051,912</u>	<u>\$ 34,830,525</u>	<u>\$ 4,706,119</u>

Notes on Exhibit A-12 are an integral part of this statement.

# POINTE COUPEE PARISH POLICE JURY

## STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			Component Units Business-type Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 2,481,723	\$ 548,057	\$ 1,044,282	\$ -	\$ (889,384)	\$ -	\$ (889,384)	\$ -
Public safety	1,210,762	113,780	87,938	-	(1,009,044)	-	(1,009,044)	-
Transportation and development	1,585,635	1,863	371,433	-	(1,212,339)	-	(1,212,339)	-
Health and welfare	155,621	-	203,000	-	47,379	-	47,379	-
Culture and recreation	533,622	74,820	38,702	-	(420,100)	-	(420,100)	-
Drainage	1,198,138	520,246	-	788,044	110,152	-	110,152	-
Economic development	112,759	-	-	-	(112,759)	-	(112,759)	-
Interest on long-term debt	371,409	-	-	-	(371,409)	-	(371,409)	-
Total governmental activities	<u>7,649,669</u>	<u>1,258,766</u>	<u>1,745,355</u>	<u>788,044</u>	<u>(3,857,504)</u>	<u>-</u>	<u>(3,857,504)</u>	<u>-</u>
Business-type activities:								
Gas	1,320,243	2,143,551	-	-	-	823,308	823,308	-
Solid waste	1,821,426	1,671,180	-	-	-	(150,246)	(150,246)	-
Multi-use center	208,224	77,202	-	-	-	(131,022)	(131,022)	-
Total business-type activities	<u>3,349,893</u>	<u>3,891,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,040</u>	<u>542,040</u>	<u>-</u>
Total primary government	<u>\$ 10,999,562</u>	<u>\$ 5,150,699</u>	<u>\$ 1,745,355</u>	<u>\$ 788,044</u>	<u>(3,857,504)</u>	<u>542,040</u>	<u>(3,315,464)</u>	<u>-</u>
<b>Component Units:</b>								
Business-type activities	<u>\$ 708,488</u>	<u>\$ 700,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,137)</u>
<b>General revenues:</b>								
Taxes:								
Property					1,623,443	-	1,623,443	18,656
Sales					3,259,795	686,273	3,946,068	-
Franchise					36,729	-	36,729	-
Other					52,648	-	52,648	1,955
Grants and contributions not restricted to specific programs					75,212	-	75,212	3,808
Investment earnings					-	-	-	184
Gain on sale of capital assets, net					512	-	512	-
Transfers (to) from other funds					547,800	(547,800)	-	-
Total general revenues and transfers					<u>5,596,139</u>	<u>138,473</u>	<u>5,734,612</u>	<u>24,603</u>
Change in net position					1,738,635	680,513	2,419,148	16,466
Net position - beginning of year, as restated					<u>16,378,674</u>	<u>2,009,076</u>	<u>18,387,750</u>	<u>3,222,021</u>
Net position- end of year					<u>\$ 18,117,309</u>	<u>\$ 2,689,589</u>	<u>\$ 20,806,898</u>	<u>\$ 3,238,487</u>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY  
BALANCE SHEETS**

**GOVERNMENTAL FUNDS**

December 31, 2018

	General	Parishwide Drainage	Roads and Bridges	Detention Center	Road Construction	Debt Service Road Improvement	Grants and Capital Outlay	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 605	\$ 259,318	\$ 144,668	\$ 26,892	\$ 650,467	\$ 2,671,396	\$ 557	\$ 358,590	\$ 4,112,493
Accounts receivable, net	1,423,472	318,946	-	19,885	3,630	165,709	-	63,155	1,994,797
Due from other governments	416,550	101,831	23,189	-	-	1,411	-	22,458	565,439
Due from other funds	134,745	-	-	-	-	-	-	250,000	384,745
Prepaid items	90,211	-	-	-	-	-	-	-	90,211
Other assets	24,750	-	-	-	-	-	-	-	24,750
<b>Total assets</b>	<b>\$ 2,090,333</b>	<b>\$ 680,095</b>	<b>\$ 167,857</b>	<b>\$ 46,777</b>	<b>\$ 654,097</b>	<b>\$ 2,838,516</b>	<b>\$ 557</b>	<b>\$ 694,203</b>	<b>\$ 7,172,435</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>									
<b>LIABILITIES</b>									
Accounts payable and accrued expenses	\$ 170,482	\$ 36,753	\$ 15,596	\$ 33,928	\$ 3,630	\$ -	\$ -	\$ 12,161	\$ 272,550
Due to other governments	392,380	-	-	-	-	-	-	-	392,380
Due to other funds	550,000	-	-	-	-	-	-	-	550,000
<b>Total liabilities</b>	<b>1,112,862</b>	<b>36,753</b>	<b>15,596</b>	<b>33,928</b>	<b>3,630</b>	<b>-</b>	<b>-</b>	<b>12,161</b>	<b>1,214,930</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenues	83,547	-	-	-	-	-	-	-	83,547
<b>FUND BALANCE</b>									
Nonspendable	90,211	-	-	-	-	-	-	-	90,211
Restricted	-	-	-	-	650,467	2,838,516	-	-	3,488,983
Committed	-	643,342	152,261	12,849	-	-	557	682,042	1,491,051
Unassigned	803,713	-	-	-	-	-	-	-	803,713
<b>Fund balance</b>	<b>893,924</b>	<b>643,342</b>	<b>152,261</b>	<b>12,849</b>	<b>650,467</b>	<b>2,838,516</b>	<b>557</b>	<b>682,042</b>	<b>5,873,958</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 2,090,333</b>	<b>\$ 680,095</b>	<b>\$ 167,857</b>	<b>\$ 46,777</b>	<b>\$ 654,097</b>	<b>\$ 2,838,516</b>	<b>\$ 557</b>	<b>\$ 694,203</b>	<b>\$ 7,172,435</b>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**

December 31, 2018

Total net position reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (Exhibit A-2)	\$	5,873,958
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation.		23,652,625
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current period expenditures		83,547
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and capital lease payable	(8,184,530)	
Net other post employment benefit obligation	(2,696,790)	
Compensated absences payable	(216,239)	
Accrued interest payable	(72,729)	(11,170,288)
<hr/>		
Pension liabilities (assets), deferred inflows and deferred outflows of resources		
Deferred outflows related to pension liability	349,720	
Net pension liability	(52,675)	
Net pension asset	153,833	
Deferred inflows related to pension liability	(527,006)	(76,128)
<hr/>		
Net position of governmental activities (Exhibit A)	\$	<u>18,363,714</u>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the year ended December 31, 2018

	General	Parishwide Drainage	Roads and Bridges	Detention Center	Road Construction	Debt Service Road Improvement	Grants and Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>									
Taxes	\$ 1,666,088	\$ 686,273	\$ -	\$ 205,882	\$ -	\$ 1,715,681	\$ -	\$ 651,959	\$ 4,925,883
Intergovernmental									
Grants	1,359,374	204,219	277,384	-	40,660	-	583,825	-	2,465,462
Video poker	-	-	-	-	-	-	-	94,049	94,049
Charges for services	141,940	520,246	-	58	-	-	-	132,505	794,749
Fines and forfeitures	-	-	-	-	-	-	-	113,722	113,722
Licenses and permits	348,432	-	1,863	-	-	-	-	-	350,295
Miscellaneous	49,000	-	-	-	100	-	-	-	49,100
Total revenues	<u>3,564,834</u>	<u>1,410,738</u>	<u>279,247</u>	<u>205,940</u>	<u>40,760</u>	<u>1,715,681</u>	<u>583,825</u>	<u>992,235</u>	<u>8,793,260</u>
<b>EXPENDITURES</b>									
Current function:									
General government	2,254,319	-	-	-	-	-	399,854	-	2,654,173
Health and welfare	155,621	-	-	-	-	-	-	-	155,621
Culture and recreation	97,534	-	-	-	-	-	-	389,365	486,899
Public safety	438,349	-	-	479,457	-	-	-	262,690	1,180,496
Drainage	-	797,652	-	-	-	-	-	123,203	920,855
Highways and streets	-	-	725,794	-	45,592	10,029	-	-	781,415
Economic development	112,759	-	-	-	-	-	-	-	112,759
Debt service:									
Principal	42,000	-	-	-	-	813,093	-	46,128	901,221
Interest	7,550	-	-	-	-	248,659	-	18,489	274,698
Capital outlay	6,635	270,233	57,607	1,220	60,462	-	183,971	60,581	640,709
Total expenditures	<u>3,114,767</u>	<u>1,067,885</u>	<u>783,401</u>	<u>480,677</u>	<u>106,054</u>	<u>1,071,781</u>	<u>583,825</u>	<u>900,456</u>	<u>8,108,846</u>
Excess (deficiency) of revenues over expenditures	450,067	342,853	(504,154)	(274,737)	(65,294)	643,900	-	91,779	684,414
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfer in	597,800	-	545,000	700,000	-	-	-	200,000	2,042,800
Proceeds from sale of capital assets	-	-	-	-	-	-	-	512	512
Transfer out	(825,000)	(50,000)	-	-	-	(420,000)	-	(200,000)	(1,495,000)
Total other financing sources (uses)	<u>(227,200)</u>	<u>(50,000)</u>	<u>545,000</u>	<u>700,000</u>	<u>-</u>	<u>(420,000)</u>	<u>-</u>	<u>512</u>	<u>548,312</u>
Net change in fund balance	222,867	292,853	40,846	425,263	(65,294)	223,900	-	92,291	1,232,726
<b>FUND BALANCE</b>									
Beginning of year, as restated	671,057	350,489	111,415	(412,414)	715,761	2,614,616	557	589,751	4,641,232
End of year	<u>\$ 893,924</u>	<u>\$ 643,342</u>	<u>\$ 152,261</u>	<u>\$ 12,849</u>	<u>\$ 650,467</u>	<u>\$ 2,838,516</u>	<u>\$ 557</u>	<u>\$ 682,042</u>	<u>\$ 5,873,958</u>

Notes on Exhibit A-12 are an integral part of this statement.

# POINTE COUPEE PARISH POLICE JURY

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds (Exhibit A-4)	\$	1,232,726
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay.</p>		
Capital outlay		620,227
Depreciation expense		(1,062,723)
		(442,496)
<p>The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. The payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.</p>		
		(24,076)
<p>Because some revenues will not be collected for sixty days after year end, they are not considered "available" revenues in the governmental funds.</p>		
Ad valorem		46,100
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, payment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.</p>		
Principal payments on debt		920,825
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in net other post employment benefit obligation		11,734
Change in accrued interest payable		6,888
		18,622
Changes in net pension obligations are only reported in the Statement of Activities		(13,066)
Change in net position of governmental activities (Exhibit A-1)		\$ 1,738,635

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**

December 31, 2018

	<u>Natural Gas System</u>	<u>Solid Waste</u>	<u>Multi-Use Center</u>	<u>Total Enterprise Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 520,239	\$ 10,957	\$ 152,085	\$ 683,281
Accounts receivable, net	679,778	259,561	-	939,339
Due from other governments	-	60,146	-	60,146
Due from other funds	275,000	300,000	-	575,000
Total current assets	1,475,017	630,664	152,085	2,257,766
Noncurrent assets:				
Capital:				
Non-depreciable	119,432	-	-	119,432
Depreciable, net	827,679	14,779	970,353	1,812,811
Net pension asset	37,972	1,931	3,412	43,315
Total noncurrent assets	985,083	16,710	973,765	1,975,558
Total assets	2,460,100	647,374	1,125,850	4,233,324
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension liability	82,044	4,172	7,372	93,588
Total assets and deferred outflows of resources	\$ 2,542,144	\$ 651,546	\$ 1,133,222	\$ 4,326,912
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 17,373	\$ 133,635	\$ 10,475	\$ 161,483
Customer meter deposits payable	793,183	50,190	-	843,373
Due to other funds	-	-	275,000	275,000
Current portion of long-term debt	-	-	45,601	45,601
Total current liabilities	810,556	183,825	331,076	1,325,457
Noncurrent liabilities:				
Long-term debt	-	-	166,148	166,148
Total liabilities	810,556	183,825	497,224	1,491,605
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension liability	127,744	6,495	11,479	145,718
Total liabilities and deferred inflows of resources	938,300	190,320	508,703	1,637,323
<b>NET POSITION</b>				
Net investment in capital assets	947,111	14,779	758,604	1,720,494
Restricted for debt service	-	-	58,156	58,156
Restricted for pension obligation	37,972	1,931	3,412	43,315
Unrestricted	618,761	444,516	(195,653)	867,624
Total net position	1,603,844	461,226	624,519	2,689,589
Total liabilities, deferred inflows of resources, and net position	\$ 2,542,144	\$ 651,546	\$ 1,133,222	\$ 4,326,912

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**

For the year ended December 31, 2018

	Natural Gas System	Solid Waste	Multi-Use Center	Total Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,126,482	\$ 1,660,535	\$ 77,202	\$ 3,864,219
Penalties and other	17,069	10,645	-	27,714
Total operating revenues	<u>2,143,551</u>	<u>1,671,180</u>	<u>77,202</u>	<u>3,891,933</u>
<b>OPERATING EXPENSES</b>				
Solid waste disposal fee	-	1,713,156	-	1,713,156
Salaries and benefits	453,928	22,303	74,116	550,347
Natural gas purchases	537,208	-	-	537,208
Depreciation	104,652	1,208	72,848	178,708
Professional and technical services	65,689	39,893	-	105,582
Repairs, maintenance and supplies	70,159	219	23,359	93,737
Administrative costs	32,982	38,448	480	71,910
Utilities	23,396	-	22,491	45,887
Insurance	10,474	6,199	1,575	18,248
Miscellaneous	21,755	-	1,760	23,515
Total operating expenses	<u>1,320,243</u>	<u>1,821,426</u>	<u>196,629</u>	<u>3,338,298</u>
Operating income (loss)	<u>823,308</u>	<u>(150,246)</u>	<u>(119,427)</u>	<u>553,635</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Sales taxes, net	-	686,273	-	686,273
Interest on long-term debt and other charges	-	-	(11,595)	(11,595)
Total nonoperating revenues (expenses)	<u>-</u>	<u>686,273</u>	<u>(11,595)</u>	<u>674,678</u>
Income (loss) before transfers	823,308	536,027	(131,022)	1,228,313
Transfers in	-	-	175,000	175,000
Transfers out	<u>(247,800)</u>	<u>(475,000)</u>	<u>-</u>	<u>(722,800)</u>
Net income	575,508	61,027	43,978	680,513
<b>NET POSITION</b>				
Beginning of year, restated	<u>1,028,336</u>	<u>400,199</u>	<u>580,541</u>	<u>2,009,076</u>
End of year	<u>\$ 1,603,844</u>	<u>\$ 461,226</u>	<u>\$ 624,519</u>	<u>\$ 2,689,589</u>

Notes on Exhibit A-12 are an integral part of this statement.

# POINTE COUPEE PARISH POLICE JURY

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the year ended December 31, 2018

	Natural Gas System	Solid Waste	Multi-Use Center	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 2,068,250	\$ 1,716,564	\$ 77,202	\$ 3,862,016
Payments to suppliers	(757,323)	(1,906,240)	(48,905)	(2,712,468)
Payments to employees	(448,497)	(15,966)	(75,022)	(539,485)
Net cash provided by (used for) operating activities	<u>862,430</u>	<u>(205,642)</u>	<u>(46,725)</u>	<u>610,063</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital asset additions	(130,576)	-	(8,200)	(138,776)
Principal paid on capital debt	-	-	(43,969)	(43,969)
Interest paid on capital debt	-	-	(12,971)	(12,971)
Net cash used for capital and related financing activities	<u>(130,576)</u>	<u>-</u>	<u>(65,140)</u>	<u>(195,716)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Sales taxes revenues	-	686,273	-	686,273
Transfers in from other funds	-	-	175,000	175,000
Transfers out to other funds	(247,800)	(475,000)	-	(722,800)
Net cash provided by (used for) noncapital and related financing activities	<u>(247,800)</u>	<u>211,273</u>	<u>175,000</u>	<u>138,473</u>
Net increase in cash	484,054	5,631	63,135	552,820
<b>CASH</b>				
Beginning of period	36,185	5,326	88,950	130,461
End of period	<u>\$ 520,239</u>	<u>\$ 10,957</u>	<u>\$ 152,085</u>	<u>\$ 683,281</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 823,308	\$ (150,246)	\$ (119,427)	\$ 553,635
Adjustments of operating income (loss):				
Depreciation	104,652	1,208	72,848	178,708
Allowance for doubtful accounts	(35,184)	(204,799)	-	(239,983)
Change in deferred outflows, deferred inflows, and net pension liability	7,730	6,337	(906)	13,161
Change in operating assets and liabilities:				
Accounts receivable and due from other governments	(13,483)	234,863	-	221,380
Accounts payable and accrued liabilities	2,041	(108,325)	760	(105,524)
Payables from restricted assets	(26,634)	15,320	-	(11,314)
Net cash provided by (used for) operating activities	<u>\$ 862,430</u>	<u>\$ (205,642)</u>	<u>\$ (46,725)</u>	<u>\$ 610,063</u>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

December 31, 2018

	<b>Sales Tax Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 369,678
Other assets	2,838
 Total assets	 \$ 372,516
<b>LIABILITIES</b>	
Amounts held under protest	\$ 67,680
Due to other governmental units -	
Pointe Coupee Parish School Board	104,346
City of New Roads	25,427
Town of Livonia	2,822
Town of Fordoche	284
Village of Morganza	411
Held for contingencies	36,801
Due to other funds -	
General Fund	134,745
 Total liabilities	 \$ 372,516

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**COMBINING STATEMENT OF NET POSITION**  
**ALL DISCRETELY PRESENTED BUSINESS - TYPE COMPONENT UNITS**

December 31, 2018

	<b>Mosquito Abatement District</b>	<b>Port of Pointe Coupee Parish</b>	<b>Mandela Sewer System</b>	<b>Legonnier Sewer System</b>	<b>Sewerage District No. 1</b>	<b>Sewerage District No. 3A</b>	<b>Sewerage District No. 4</b>	<b>Total</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 185,132	\$ 141,934	\$ 10,986	\$ 3,794	\$ 34,428	\$ 3,862	\$ 88,438	\$ 468,574
Investments	-	-	-	-	181,445	-	-	181,445
Accounts receivable, net	27,648	11,790	1,038	1,430	24,712	6,971	20,173	93,762
Due from other governments	44,859	-	-	-	-	-	-	44,859
Other assets	-	9,709	-	-	-	-	-	9,709
Capital assets:								
Nondepreciable	-	-	-	10,000	34,650	10,000	26,750	81,400
Depreciable, net	15,275	-	751,163	630,602	670,979	103,747	1,654,604	3,826,370
<b>Total assets</b>	<b>\$ 272,914</b>	<b>\$ 163,433</b>	<b>\$ 763,187</b>	<b>\$ 645,826</b>	<b>\$ 946,214</b>	<b>\$ 124,580</b>	<b>\$ 1,789,965</b>	<b>\$ 4,706,119</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	\$ 382	\$ -	\$ -	\$ 1,907	\$ 31,542	\$ 2,153	\$ 2,336	\$ 38,320
Due to other governments	-	-	-	135,000	-	20,000	-	155,000
Long-term payables								
Due within one year	-	-	-	-	3,341	2,322	19,880	25,543
Due in more than one year	-	-	-	-	113,178	29,487	1,106,104	1,248,769
<b>Total liabilities</b>	<b>382</b>	<b>-</b>	<b>-</b>	<b>136,907</b>	<b>148,061</b>	<b>53,962</b>	<b>1,128,320</b>	<b>1,467,632</b>
<b>NET POSITION</b>								
Net investment in capital assets	15,275	-	751,163	640,602	589,110	81,938	555,370	2,633,458
Restricted for:								
Debt service	-	-	-	-	83,310	-	66,329	149,639
Unrestricted	257,257	163,433	12,024	(131,683)	125,733	(11,320)	39,946	455,390
<b>Total net position</b>	<b>272,532</b>	<b>163,433</b>	<b>763,187</b>	<b>508,919</b>	<b>798,153</b>	<b>70,618</b>	<b>661,645</b>	<b>3,238,487</b>
<b>Total liabilities and net position</b>	<b>\$ 272,914</b>	<b>\$ 163,433</b>	<b>\$ 763,187</b>	<b>\$ 645,826</b>	<b>\$ 946,214</b>	<b>\$ 124,580</b>	<b>\$ 1,789,965</b>	<b>\$ 4,706,119</b>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**COMBINING STATEMENT OF ACTIVITIES**  
**ALL DISCRETELY PRESENTED BUSINESS - TYPE COMPONENT UNITS**

For the year ended December 31, 2018

	Mosquito Abatement District	Port of Pointe Coupee Parish	Mandela Sewer System	Legonnier Sewer System	Sewerage District No. 1	Sewerage District No. 3A	Sewerage District No. 4	Total
<b>OPERATING REVENUES:</b>								
Charges for services	\$ 272,664	\$ 57,413	\$ 22,024	\$ 5,684	\$ 166,551	\$ 20,499	\$ 155,675	\$ 700,510
<b>OPERATING EXPENSES:</b>								
Depreciation	22,132	-	20,587	31,191	54,748	8,940	63,651	201,249
General and administrative	59,792	7,812	4,421	739	92,952	10,296	13,553	189,565
Supplies and chemicals	69,130	-	-	-	1,537	155	50	70,872
Contract labor	1,337	-	1,872	23,426	10,350	5,535	18,737	61,257
Maintenance	-	6,100	6,330	-	29,641	3,024	17,469	62,564
Insurance	3,937	16,113	-	-	12,726	100	2,854	35,730
Professional services	10,836	2,128	4,550	-	7,862	1,464	2,760	29,600
Travel & training	-	-	-	3,689	-	-	-	3,689
Total operating expenses	<u>167,164</u>	<u>32,153</u>	<u>37,760</u>	<u>59,045</u>	<u>209,816</u>	<u>29,514</u>	<u>119,074</u>	<u>654,526</u>
Net operating revenues (expenses)	<u>105,500</u>	<u>25,260</u>	<u>(15,736)</u>	<u>(53,361)</u>	<u>(43,265)</u>	<u>(9,015)</u>	<u>36,601</u>	<u>45,984</u>
<b>NONOPERATING REVENUES AND EXPENSES:</b>								
Taxes:								
Ad valorem	-	-	-	-	15,228	3,428	-	18,656
Other	-	-	-	-	1,955	-	-	1,955
Other income	3,808	-	-	-	-	-	25	3,833
Interest expense	-	-	-	-	(3,814)	(1,695)	(48,453)	(53,962)
Total nonoperating revenues	<u>3,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,369</u>	<u>1,733</u>	<u>(48,428)</u>	<u>(29,518)</u>
Changes in net position	109,308	25,260	(15,736)	(53,361)	(29,896)	(7,282)	(11,827)	16,466
Net position - beginning of year, restated	<u>163,224</u>	<u>138,173</u>	<u>778,923</u>	<u>562,280</u>	<u>828,049</u>	<u>77,900</u>	<u>673,472</u>	<u>3,222,021</u>
Net position - end of year	<u>\$ 272,532</u>	<u>\$ 163,433</u>	<u>\$ 763,187</u>	<u>\$ 508,919</u>	<u>\$ 798,153</u>	<u>\$ 70,618</u>	<u>\$ 661,645</u>	<u>\$ 3,238,487</u>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
New Roads, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**STATEMENT PRESENTATION**

The Pointe Coupee Parish Police Jury (Police Jury) is the governing authority for Pointe Coupee Parish, Louisiana, and is a political subdivision of the State of Louisiana. The Police Jury is governed by twelve jurors representing the various districts within the parish.

The Police Jury, under the provisions of Louisiana Revised Statutes 33:1271-1285, enacts ordinances, sets policy and establishes programs in such fields as social welfare, transportation, drainage, industrial inducement, and health services.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its citizens. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges and drainage; 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 state and federal grants.

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

The Police Jury's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through pronouncements (Statements and Interpretations). The significant accounting policies established in GAAP and used by the Police Jury are discussed below.

The financial statements comply with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments* (GASB 34) and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Police Jury's overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the Police Jury's activities, including certain infrastructure (roads, bridges, etc.) improvements; and a change in the fund financial statements to focus on the major funds.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**REPORTING ENTITY**

As the governing authority of Pointe Coupee Parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for Pointe Coupee 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 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.

GASB Statement No. 14, as amended by GASB Statement No. 61, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, the Pointe Coupee Parish Police Jury includes all funds that are within the oversight responsibility of the Pointe Coupee Parish Police Jury. Section 2100 of the 2011 GASB *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of the Police Jury for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial benefit/burden relationship between the Police Jury and the potential component unit.
  - a) The primary government appoints a voting majority of the potential component unit's governing body (and) the primary government is able to impose its will on the potential component unit (or)
  - b) When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units 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.

**Blended Component Units**

Pointe Coupee Parish Natural Gas System

The Pointe Coupee Parish Natural Gas System provides natural gas services to the constituents of the Parish. The governing board of the Pointe Coupee Parish Natural Gas System has the same members as the governing board of the Parish.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**REPORTING ENTITY (continued)**

Based on the previous criteria, the Police Jury has included the following component units in the financial reporting entity:

**Discrete Component Units – Business-Type Activities**

The following entities were established pursuant to state statutes for various public purposes within the Police Jury. The Police Jury appoints and removes the Board members of each respective agency. Each agency is fiscally independent from the Police Jury, issues its debt, approves its budgets, and sets its rates and charges. The primary government has no authority to designate management, or approve or modify rates. The Police Jury is not obligated for debt issues of these agencies. The component units included in the financial data are listed below along with their fiscal year end.

Mosquito Abatement District	December 31, 2018
Port of Pointe Coupee Parish	December 31, 2018
Legonier Sewer System	December 31, 2018
Mandela Sewer System	December 31, 2018
Pointe Coupee Parish Sewerage District No. 1	December 31, 2018
Pointe Coupee Parish Sewerage District No. 3A	December 31, 2018
Pointe Coupee Parish Sewerage District No. 4	December 31, 2018

The Police Jury has chosen to exclude the financial data of the related organizations that are listed below along with their fiscal year end:

Fire Protection Districts No. 1, 2, 3, 4 and 5	December 31, 2018
Pointe Coupee Tourist Commission	December 31, 2018
Bonne Sante Chemical and Wellness Center	June 30, 2018
Pointe Coupee Parish Sheriff	June 30, 2018
Pointe Coupee Parish Clerk of Court	June 30, 2018
Pointe Coupee Parish Coroner's Office	December 31, 2018
Pointe Coupee Parish Assessor	December 31, 2018
Pointe Coupee Parish Health Service District No. 1	October 31, 2018
False River Air Park Commission	December 31, 2018
Pointe Coupee Parish Waterworks District No. 1	December 31, 2018
Pointe Coupee Parish Waterworks District No. 2	December 31, 2018

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### BASIS OF PRESENTATION

#### Government-wide Financial Statements

The Police Jury's basic financial statements consist of the government-wide statements on all the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major funds and combined non-major funds). The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by GASB *Codification of Governmental Accounting and Financial Reporting Standards*.

Both the entity-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the primary government only. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the primary government.

*Governmental activities* generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

*Business type activities* are financed in whole or part by fees charged to external parties for goods or services.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not applicable to specific program revenues are reported as general revenues. Such amounts include internally dedicated resources such as a restricted property tax.

#### Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### BASIS OF PRESENTATION (CONTINUED)

The daily operations of the Police Jury continue to be organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the Police Jury (the General Fund) or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expense of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expense of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds of the primary government presented in the financial statements are described below.

### Governmental Fund Types

Governmental funds are those through which most governmental functions of the Police Jury are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Police Jury are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income. The following are the governmental fund types of the Police Jury:

**General Fund** - The General Fund is the general operating fund of the Police Jury. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds that are considered major funds are the Parishwide Drainage Fund, Roads and Bridges Fund, and the Detention Center Fund.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### BASIS OF PRESENTATION (CONTINUED)

**Debt Service Funds** - Debt service funds are used to account for the accumulation of resources for; and the payment of, general long-term debt principal, interest and related costs. The Debt Service Road Improvement Fund is a major fund.

**Capital Projects Funds** - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The Road Construction Fund and the Grants and Capital Outlay Fund are major funds.

### Proprietary Fund Types

**Enterprise Funds** - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are presented in the business-type activities column in the government-wide financial statements. The major enterprise funds are the Natural Gas System Fund, the Solid Waste Fund and the Multi-Use Center Fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### Fiduciary Fund Types

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Police Jury's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Police Jury administers a Sale Tax Escrow, whose purpose is to account for funds from prior sales tax ordinance dedicated for contingencies.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**Government-wide financial statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

**Fund financial statements**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the Police Jury receives value without directly giving value in return, includes sales tax, ad valorem tax, federal and state aid and grants.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the following year. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Police Jury is entitled to the funds, generally corresponding to when grant related costs are incurred by the Police Jury.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on long-term debt which is recognized when due, and (2) claims and judgments, and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **BASIS OF PRESENTATION (CONTINUED)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

#### **Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted to the Police Jury prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The budgets can be prepared consistent with the accounting method used for the applicable fund and can be amended periodically for changes in projected activity. At the end of each fiscal year, unexpended appropriations automatically lapse. In no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year.

Budgets for the capital project funds do not necessarily follow the time schedule for other funds, since capital projects may be started and completed at any time during the year. However, the capital project budget must be submitted to the Police Jury for adequate public hearing and adoption on a project-length basis. Annual operating budgets are adopted for all governmental and proprietary funds.

The portion of unassigned fund balance of individual funds designated for subsequent year's expenditures represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

### **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash and cash equivalents for the primary government includes cash accounts.

A consolidated bank account has been established for the primary government into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" and "Investments" are therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its pro rata share of investments made through the investment of excess cash. Each fund shares in the investment earnings according to its average cash, cash equivalent, and investments balance, prorated among funds.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

Credit risk is defined as the risk that an issuer or other counter party to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Jury will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policies of the Police Jury are governed by state statutes which authorizes Police Jury funds to be invested in accordance with L.R.S. 39:1211-1245 and 33:2955 which allow, but are not limited to the following investment vehicles: United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully collateralized interest bearing checking accounts and certificates of deposit. Other investment provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Police Jury has a custodial agreement.

For purposes of the Statement of Cash Flows, cash equivalents for each fund include demand deposit account balances, and certificates of deposit and U.S. government securities with original maturities of three months or less.

Investments, which include U.S. government securities, are stated at fair market value. Time certificates of deposits are stated at cost. Unrealized gains and losses on investments recorded at fair value are included in investment income, if applicable.

**INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds. Those related to goods and services, and short-term interfund loans are classified as “due from other funds” or “due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 13 for details of interfund transactions, including receivables and payables at year-end. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” The balances disclosed in Note 13 result from loans made to cover operating cash deficits.

**INVENTORIES**

In the primary government's governmental fund types, inventories of supplies are recorded as expenditures at the time of purchase.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**RECEIVABLES AND BAD DEBTS**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which would indicate that the particular receivable is not collectible. In governmental and proprietary fund types, the uncollectible amount is charged directly to the revenue reported.

**CAPITAL ASSETS AND DEPRECIATION**

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

***Government-wide Statements***

In the government-wide financial statements, capital assets include land and land improvements, buildings, equipment, furniture and infrastructure assets (streets, roads, bridges, sewer, and drainage systems). All governmental capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Prior to the implementation of GASB 34, governmental funds' infrastructure assets were not capitalized. In accordance with GASB 34, the Police Jury is a Phase 3 government and retroactive infrastructure reporting is optional. As such, the Police Jury has capitalized infrastructure improvements on a prospective basis. Infrastructure assets purchased or constructed after 2002 by the primary government are depreciated accordingly on the straight-line method.

Depreciation on all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statements of Net Position. Depreciation is provided over the assets useful lives using the straight-line method.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and improvements	5 - 50 years
Infrastructure	15 - 40 years
Equipment	3 - 10 years
Vehicles	5 years
Furniture	5 years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CAPITAL ASSETS AND DEPRECIATION (CONTINUED)**

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

In the fund financial statement, capital assets used in governmental fund operations are recorded as capital outlay expenditures of the governmental fund types when purchased or constructed. Capital assets used in proprietary fund operations are accounted for the same manner as in the government-wide statements.

**LONG-TERM DEBT**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide statement of net position and in the proprietary fund types' financial statements, long term debt is reported as liabilities. The long-term debt consists primarily of public improvement and special assessment bonds, certificates of indebtedness and compensated absences payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements.

**DEFERRED OUTFLOW/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **PENSIONS**

The net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, (described in more detail in Note 10), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability (asset), deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

### **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, (described in more detail in Note 12), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting, in the governmental fund financial statements contributions are recognized as expenditures when due.

### **NET POSITION/ FUND BALANCES**

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net position are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

Government-wide net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position—consist of net position that are restricted by the Board's creditors, by state enabling legislation, by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**NET POSITION/ FUND BALANCES (CONTINUED)**

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

The Police Jury has committed fund balances for the Motor Vehicle Handling Fund (\$133,655), Recreation Fund (\$172,978), Drainage and Road Equipment Fund (\$301,751), and Criminal Court Fund (\$73,658), which are considered nonmajor governmental funds.

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Police Jury ordinance or resolution.
- Assigned—Amounts where informal constraints have been established by the Policy Jury but are not restricted nor committed.
- Unassigned—All amounts not included in other spendable classifications.

**RESTRICTED RESOURCES**

When expenditures are incurred in governmental funds, the Police Jury's policy is to apply the expenditures in the following priority:

1. Restricted fund balance
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

Fund balance represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The General Fund is the only fund that reports a positive unassigned fund balance, although other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**INTERFUND TRANSFERS**

Advances between funds which are not expected to be repaid are accounted for as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. See Note 13 for details of interfund transfers.

**COMPENSATED ABSENCES**

All Police Jury primary government regular employees earn vacation leave in varying amounts according to the employee's number of years of continuous service with no maximum carry-over. Vacation is payable upon resignation or retirement at the employee's current rate of pay.

All Police Jury primary government employees earn varying days of sick leave per year. Sick leave is forfeited upon termination, resignation, retirement or death.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement.

The Police Jury has recorded the following liabilities as of December 31, 2018, for certain salary-related benefits associated with the payment of compensated absences:

1. Compensated absences payable for each employee is valued at the employee's current rate of pay.
2. No sick leave is recorded in the financial statements for active employees since the amount applicable under GASB Statement No. 16 is immaterial.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, allowance for doubtful accounts, prepaid insurance, and deferred revenue.

**SUBSEQUENT EVENTS**

In preparing the financial statements, the Police Jury has evaluated events and transactions for potential recognition or disclosure through June 11, 2019, the date which the financial statements were available to be issued.

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

The Police Jury maintains a consolidated bank account that is used by most funds except certain funds with cash restrictions. Each fund type's portion of the consolidated bank account and the account balance of each fund type with a separate bank account are displayed on the combined balance sheet as "Cash and Cash Equivalents" or "Investments."

**Deposits**

At December 31, 2018, the carrying amount of demand deposits was \$5,165,452. The bank balance of \$6,201,216 is secured by federal depository insurance and collateral held by the Police Jury's agent in the Police Jury's name.

At December 31, 2018, the discretely presented component units have a carrying amount of \$468,574 in deposits and the bank balance was \$507,239.

These deposits are secured by federal deposit insurance of \$532,720 and pledged securities held by the custodial bank in the name of the fiscal agent bank of \$5,941,304.

Custodial credit risk is the risk that, in the event of a bank failure, the Police Jury's deposits may not be returned to it. The Police Jury's cash and investment policy, as well as state law, require that deposits be fully secured. At year end, the Police Jury's deposits were not exposed to any custodial risk.

**Investments**

At December 31, 2018, the discretely presented component units have \$181,445 in investments that consist of certificates of deposits.

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Cash, Cash Equivalents Summary**

The following is a reconciliation of the carrying amount of deposits and investments to “Cash and Cash Equivalents” for the Primary Government on the combined balance sheet.

Cash and cash equivalents:	<u>Amount</u>
Deposits	\$ 4,792,296
Cash on hand	<u>3,478</u>
Total cash and cash equivalents	<u>\$ 4,795,774</u>

The above stated book balances are collateralized as follows:

	<u>Amount</u>
Federal deposit insurance (FDIC)	\$ 532,720
Pledged securities in the Police Jury's name	<u>5,941,304</u>
Total bank balances	<u>\$ 6,474,024</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance at all times must 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.

**NOTE 3 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS**

Accounts receivable at December 31, 2018 for the primary government and discretely presented component units, were as follows:

<b>Primary Government</b>	<b>Amount</b>
Ad valorem taxes	\$ 1,402,595
User fees	1,915,196
Sales and use taxes	381,132
Other	35,079
Subtotal	3,734,002
Less allowance for uncollectible receivables	(803,496)
Total primary government	2,930,506
 <b>Component Units</b>	
Fees, charges and commissions	312,636
Ad valorem taxes	23,076
Subtotal	335,712
Less allowance for uncollectible receivables	(241,950)
Total component units	93,762
Total	\$ 3,024,268

Due from other governments at December 31, 2018, consists of the following:

<b>Primary Government</b>	<b>Amount</b>
State of Louisiana	\$ 296,550
Due from municipalities - user fees	332,665
Total primary government	629,215
 <b>Component Units</b>	
Due from municipalities - user fees	44,859
Total	\$ 674,074

**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7, Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the Police Jury on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the Assessor is subject to review and certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Taxes paid under protest are remitted by the Sheriff directly to the Police Jury. No amounts were held in protest at December 31, 2018. The Sheriff, as provided by State Law (LRS 33:1435), is the official tax collector of general property taxes levied by the Police Jury and Police Jury Special Districts. Ad valorem taxes as presented in these financial statements are as follows:

Fund	Expiration Date	Mills	Property Assessed Valuations	Taxes Assessed For	
				General Purpose	Special Purposes
General Fund:					
Parish Tax	Statutory	3.42	\$ 466,930,927	\$ 1,489,507	\$ -
Parish Tax in New Roads	Statutory	1.71	57,615,382	86,043	-
Parish Tax in Livonia	Statutory	3.42	9,506,225	22,883	-
Component Units:					
Sewer District No. 1	2018	23.30	5,582,575	-	18,315
Sewer District No. 3A	2029	24.24	664,070	-	4,761
				<u>\$ 1,598,433</u>	<u>\$ 23,076</u>

The taxes levied in the enterprise funds are dedicated for debt service. The 2018 property tax calendar is as follows:

Millage Rates adopted	September 20, 2018
Levy Date	September 20, 2018
Due Date	November 15, 2018
Lien Date	January 1, 2019
Collection Dates	December 1, 2018 to February 28, 2019

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS47:2101). 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 (LRS 47:2181). All property taxes are recorded in governmental funds, as explained in Note 1. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable.

**NOTE 4 - AD VALOREM TAXES (CONTINUED)**

Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll, less management’s estimate for uncollectible taxes, is recorded as revenue in the current calendar year. However, no allowance for uncollectible taxes was recorded at December 31, 2018.

All of the taxes receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. In the fund financial statements, property taxes are considered available because they are substantially collected by the tax collector within 60 days subsequent to year-end and therefore available to liquidate liabilities of the current period. Virtually all collections are made within this time frame.

**NOTE 5 - RESTRICTED ASSETS**

Restricted assets, which consist of cash held in reserve as required in debt service agreements, are classified within cash and cash equivalents on the Statement of Net Position. Restricted assets at December 31, 2018, were as follows:

	Amount
<b>Primary government</b>	
Road construction and maintenance	\$ 650,467
Debt service	2,838,516
	\$ 3,488,983
<b>Component Units</b>	
Debt service	\$ 149,639

**NOTE 6 - NET POSITION RESTRICTED BY ENABLING LEGISLATION**

The primary government’s net position is restricted by enabling taxes consisting of \$3,488,983 for the Road Construction and Debt Service Road Improvement funds.

**NOTE 7 - CAPITAL ASSETS**

A summary of changes in capital assets for the primary government for the year ended December 31, 2018, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 743,009	\$ 6,000	\$ -	\$ 749,009
Construction in progress	11,343,569	478,321	(4,311,255)	7,510,635
Total capital assets, not being depreciated	<u>12,086,578</u>	<u>484,321</u>	<u>(4,311,255)</u>	<u>8,259,644</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	6,369,635	1,504	-	6,371,139
Equipment, furnishings, and vehicles	7,146,191	75,882	-	7,222,073
Infrastructure	14,740,088	4,369,775	-	19,109,863
Total capital assets being depreciated	<u>28,255,914</u>	<u>4,447,161</u>	<u>-</u>	<u>32,703,075</u>
Less accumulated depreciation for:				
Buildings and improvements	4,063,060	159,002	-	4,222,062
Equipment, furnishings, and vehicles	6,647,259	94,902	-	6,742,161
Infrastructure	5,537,052	808,819	-	6,345,871
Total accumulated depreciation	<u>16,247,371</u>	<u>1,062,723</u>	<u>-</u>	<u>17,310,094</u>
Total capital assets, being depreciated, net	<u>12,008,543</u>	<u>3,384,438</u>	<u>-</u>	<u>15,392,981</u>
Governmental activities, capital assets, net	<u>\$ 24,095,121</u>	<u>\$ 3,868,759</u>	<u>\$ (4,311,255)</u>	<u>\$ 23,652,625</u>
<b>Business-Type Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Construction in progress	\$ 28,699	\$ 45,500	\$ -	\$ 74,199
Land	45,233	-	-	45,233
Total capital assets, not being depreciated	<u>73,932</u>	<u>45,500</u>	<u>-</u>	<u>119,432</u>
<b>Capital assets being depreciated</b>				
Utility systems and related equipment	8,445,409	93,276	-	8,538,685
Less accumulated depreciation	(6,547,166)	(178,708)	-	(6,725,874)
Total capital assets, being depreciated, net	<u>1,898,243</u>	<u>(85,432)</u>	<u>-</u>	<u>1,812,811</u>
Business-type activities capital assets, net	<u>\$ 1,972,175</u>	<u>\$ (39,932)</u>	<u>\$ -</u>	<u>\$ 1,932,243</u>

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government's governmental activities as follows:

	Amount
Highways and streets	\$ 804,274
Culture and recreation	46,723
General government	181,460
Public safety	30,266
Total depreciation expense - governmental activities	\$ 1,062,723

A summary of changes in capital assets for component units:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Mosquito Abatement District</b>				
Machinery and equipment	\$ 120,711	\$ -	\$ -	\$ 120,711
Vehicles	103,980	-	-	103,980
Total	224,691	-	-	224,691
Less: accumulated depreciation	(187,284)	(22,132)	-	(209,416)
Total	37,407	(22,132)	-	15,275
<b>Port of Pointe Coupee Parish</b>				
Buildings and improvements	478,465	-	-	478,465
Furniture and fixtures	11,366	-	-	11,366
Machinery and equipment	28,178	-	-	28,178
Total	518,009	-	-	518,009
Less: accumulated depreciation	(518,009)	-	-	(518,009)
Total	-	-	-	-
<b>Mandela Sewer System</b>				
Sewer System	993,127	2,675	-	995,802
Less: accumulated depreciation	(224,052)	(20,587)	-	(244,639)
Total	769,075	(17,912)	-	751,163
<b>Legonmier Sewer System</b>				
Land	10,000	-	-	10,000
Sewer System	1,099,126	-	-	1,099,126
Total	1,109,126	-	-	1,109,126
Less: accumulated depreciation	(437,333)	(31,191)	-	(468,524)
Total	671,793	(31,191)	-	640,602

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

A summary of changes in capital assets for component units (continued):

**Pointe Coupee Sewage District No. 1**

Land	34,650	-	-	34,650
Land improvements	76,831	-	-	76,831
Buildings and improvements	26,928	-	-	26,928
Machinery and equipment	116,858	-	-	116,858
Sewer System	1,779,672	-	-	1,779,672
Vehicles	31,000	-	-	31,000
Total	<u>2,065,939</u>	<u>-</u>	<u>-</u>	<u>2,065,939</u>
Less: accumulated depreciation	<u>(1,305,562)</u>	<u>(54,748)</u>	<u>-</u>	<u>(1,360,310)</u>
Total	<u>760,377</u>	<u>(54,748)</u>	<u>-</u>	<u>705,629</u>

**Pointe Coupee Sewage District No. 3A**

Land	10,000	-	-	10,000
Sewer System	<u>357,638</u>	<u>-</u>	<u>-</u>	<u>357,638</u>
Total	367,638	-	-	367,638
Less: accumulated depreciation	<u>(244,951)</u>	<u>(8,940)</u>	<u>-</u>	<u>(253,891)</u>
Total	<u>122,687</u>	<u>(8,940)</u>	<u>-</u>	<u>113,747</u>

**Pointe Coupee Sewage District No. 4**

Land	26,750	-	-	26,750
Equipment	58,968	-	-	58,968
Sewer System	<u>2,220,485</u>	<u>25,530</u>	<u>-</u>	<u>2,246,015</u>
Total	2,306,203	25,530	-	2,331,733
Less: accumulated depreciation	<u>(586,728)</u>	<u>(63,651)</u>	<u>-</u>	<u>(650,379)</u>
Total	<u>1,719,475</u>	<u>(38,121)</u>	<u>-</u>	<u>1,681,354</u>

Total component units capital assets	7,584,733	28,205	-	7,612,938
Less: total accumulated depreciation	<u>(3,503,919)</u>	<u>(201,249)</u>	<u>-</u>	<u>(3,705,168)</u>
Total component units capital assets, net	<u>\$ 4,080,814</u>	<u>\$ (173,044)</u>	<u>\$ -</u>	<u>\$ 3,907,770</u>

**Capital Leases**

The Police Jury has acquired various equipment under capital lease obligations. The lease payments relating to the equipment have been capitalized and included in equipment on the accompanying government-wide financial statements. The leased equipment has a cost of \$182,034, which has been recorded in the governmental activities. Current year depreciation and accumulated depreciation recognized on the leases as of December 31, 2018, was \$36,407 and \$42,475 respectively, in the governmental activities.

**NOTE 8 - LONG-TERM DEBT**

Long-term debt is segregated between governmental activities and business-type activities. At December 31, 2018, governmental long-term debt consisted of the following:

**Sales Tax Bonds:**

\$6,500,000 Sales Tax Road Improvement Bond, dated November 2011, due in semi-annual installments at various amounts, including interest, through September 1, 2026; interest at various rates	\$ 4,190,000
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\$4,500,000 Sales Tax Road Improvement Bond, dated May 2016, due in annual installments at various amounts, including interest, through September 1, 2026 interest at various rates	3,590,000
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\$480,000 Office of Motor Vehicle Bond, dated May 2004, due in annual installments at various amounts, including interest, through May 1, 2024 interest at various rates	125,000
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**Limited Tax Certificates of Indebtness**

\$265,000 limited Tax Certificates of Indebtedness, dated May 2015, due in annual installments at various amounts, including interest, through May 1, 2021; interest at various rates	138,000
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**Capital Lease Obligations:**

Lease payable in monthly installments of \$3,591, including interest, maturing September 2022	141,529
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Total bonds and leases	8,184,529
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<b>Accrued compensated absences</b>	216,240
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<b>Net pension liability</b>	52,675
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<b>Net other post employment benefits obligation:</b>	2,696,790
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Total indebtedness - governmental activities	\$ 11,150,234
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At December 31, 2018, long-term debt from proprietary funds consisted of the following:

**Sales Tax Bonds:**

\$780,000 U.S. Department of Agriculture- RUS. Multi-Use Center, issued May 1, 1995, due in annual installments of \$51,768 (including interest) through May 1, 2026, interest at 5.25%	\$ 192,784
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\$79,000 U.S. Department of Agriculture - RUS Multi-Use Center, issued May 1, 1995, due in annual installments of \$5,172 (including interest) through May 1, 2026, interest at 5.125%	18,965
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Total indebtedness - business-type activities	\$ 211,749
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**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

At December 31, 2018, long-term debt from component units consisted of the following:

**Ad Valorem Tax Bonds:**

\$157,000 U.S. Department of Agriculture - RUS. Sewer Dist. No.1 issued June 1, 2000, due in monthly installments of \$713 (including interest) through May 1, 2040, interest at 4.50%	116,519
\$45,200 U.S. Department of Agriculture - RUS. Sewer Dist. No.3A issued March 3, 1988, due in annual installments of \$3,186 (including interest) through March 3, 2029, interest at 6.375%	23,253
\$16,500 U.S. Department of Agriculture - RUS. Sewer Dist. No.3A issued March 3, 1988, due in annual installments of \$1,163 (including interest) through March 3, 2029, interest at 6.375%	8,556

**Revenue Bonds:**

\$358,000 U.S. Department of Agriculture - RUS. Sewer Dist. No.4 issued March 13, 2008, due in monthly installments of \$1,165 (including interest) through March 13, 2048, interest at 4.375%	318,510
\$443,000 U.S. Department of Agriculture - RUS. Sewer Dist. No.4 issued March 13, 2008, due in monthly installments of \$1,927 (including interest) through March 13, 2048, interest at 4.125%	391,989
\$467,000 U.S. Department of Agriculture - RUS. Sewer Dist. No.4 issued March 13, 2008, due in monthly installments of \$2,106 (including interest) through March 13, 2048, interest at 4.375%	415,485

Total indebtedness - component units	\$ 1,274,312
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**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

Long-term debt transactions for the year ended December 31, 2018, were as follows:

	December 31, 2017				Due Within	
	restated	Additions	Reductions	December 31, 2018	One Year	
<b>Governmental Activities:</b>						
Sales tax bonds	\$ 8,750,000	\$ -	\$ 845,000	\$ 7,905,000	\$ 875,000	
Limited Tax Certificates	182,000	-	44,000	138,000	45,000	
Capital lease obligations	173,354	-	31,825	141,529	34,155	
Accrued compensated absences	192,163	100,240	76,164	216,239	-	
Net pension liability	638,801	-	586,126	52,675	-	
Net other post employment benefit obligation	2,954,929	-	258,139	2,696,790	-	
	<u>\$ 12,891,247</u>	<u>\$ 100,240</u>	<u>\$ 1,841,254</u>	<u>\$ 11,150,233</u>	<u>\$ 954,155</u>	
<b>Business-type Activities:</b>						
Sales tax bonds	\$ 255,719	\$ -	\$ 43,969	\$ 211,750	\$ 45,601	
Net pension liability	90,800	-	90,800	-	-	
	<u>\$ 346,519</u>	<u>\$ -</u>	<u>\$ 134,769</u>	<u>\$ 211,750</u>	<u>\$ 45,601</u>	
<b>Component Units:</b>						
Sales tax bonds	<u>\$ 1,342,817</u>	<u>-</u>	<u>68,505</u>	<u>1,274,312</u>	<u>25,443</u>	

A summary of long-term debt obligations by component unit is as follows:

**United States Department of Agriculture:**

Sewerage District No. 1	\$ 116,519
Sewerage District No. 3A	31,809

**Revenue bonds:**

Sewerage District No. 4	1,125,984
Total component unit debt	<u>\$ 1,274,312</u>

**Debt Service Requirements to Maturity**

The annual debt service requirements to amortize outstanding long-term debt excluding accrued absences and net other post-employment benefit obligations, of the primary government at December 31, 2018 are below.

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

Year ending December 31.	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 954,155	\$ 230,084	\$ 45,601	\$ 11,339
2020	987,654	204,009	48,042	8,899
2021	1,026,338	175,618	50,617	6,323
2022	1,006,382	146,738	53,327	3,613
2023	1,010,000	119,570	14,163	757
2024-2026	3,200,000	187,721	-	-
	<u>\$ 8,184,529</u>	<u>\$ 1,063,740</u>	<u>\$ 211,750</u>	<u>\$ 30,931</u>

	Component Units	
	Principal	Interest
2019	\$ 25,543	\$ 55,137
2020	26,707	53,974
2021	27,937	52,743
2022	29,217	51,461
2023	30,560	50,118
2024-2028	175,223	228,172
2029-2033	195,784	186,592
2034-2038	242,033	139,614
2039-2043	265,994	83,942
2042-2048	255,314	23,634
	<u>\$ 1,274,312</u>	<u>\$ 925,387</u>

**Bond Restrictions**

**Sales Tax Bonds**

Under the terms of the indenture authorizing the issuance of Sales Tax Bonds – Series 2012, general revenues of the Police Jury are pledged and dedicated for the establishment and maintenance of the following bond funds:

***Sales Tax Bonds – Road Improvement Refunding Bonds - Series 2011 - Sinking***

***Fund*** to be used for the payment of principal and interest on outstanding bonds as they become due and payable. Monthly payments are to be equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

*Sales Tax Bonds – Road Improvement Refunding Bonds - Series 2011 - Reserve Fund* to be used solely for the purpose of paying principal and interest on bonds payable from the Bond Sinking Fund, as to which there would otherwise be default.

*Sales Tax Bonds – Road Improvement Refunding Bonds - Series 2016 - Sinking Fund* to be used for the payment of principal and interest on outstanding bonds as they become due and payable. Monthly payments are to be equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.

*Sales Tax Bonds – Road Improvement Refunding Bonds - Series 2016 - Reserve Fund* to be used solely for the purpose of paying principal and interest on bonds payable from the Bond Sinking Fund, as to which there would otherwise be default.

As of December 31, 2018, \$992,245 in funds have been accumulated to satisfy the Series 2011 and 2016 bonds reserve requirements.

**Certificate of Indebtedness**

In accordance with the terms of the indenture authorizing the issuance of the certificates of indebtedness, excess revenues are used for the establishment of the 2004 Certificates of Indebtedness Sinking Fund. The sinking fund is used for the payment of principal and interest on outstanding debt as it becomes due and payable. Monthly payments are equal to the sum of one-sixth of interest becoming due on the next interest payment date and one-twelfth of principal becoming due on the next principal payment date.

**Multi-Use Center Revenue Bonds**

In accordance with the indentures governing Multi-Use Center Revenue Bonds, Series 1995, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Multi-Use Center Enterprise Fund to be serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Multi-Use Center Revenue Funds requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Multi-Use Center Revenue Bond Fund requires monthly fund transfers from the Multi-Use Center Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

3. The Multi-Use Center Revenue Bond Reserve Fund requires monthly transfers ranging from \$22 to \$216 until \$56,940 has been accumulated. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$56,940.
4. The Multi-Use Center Depreciation and Contingency Fund requires monthly transfers ranging from \$22 to \$216. The Fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, extensions or improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Multi-Use Center Revenue Bond Fund, or Multi-Use Center Revenue Bond Reserve Fund. The current balance of the fund is \$77,764.

**Legal Debt Margin**

Computation of legal debt margin for general obligation bonds is as follows:

Ad Valorem taxes - Assessed valuation, 2018 tax rolls	\$ 466,930,927
Debt limit: 10% of assessed valuation (for any one purpose)	46,693,093
Debt limit: 15% of assessed valuation (for sewerage purposes)	70,039,639
Debt limit: 35% of assessed valuation (aggregate, all purposes)	163,425,824

**NOTE 9 - DEDICATED REVENUE**

**Sales and Use Tax**

The Police Jury has a one per cent sales and use tax approved for an indefinite term by the voters on September 19, 1984. The tax, after all necessary costs for collection and administration, is to be used for purposes in the percentages assigned, as follows:

- Not less than 35% is dedicated and used for capital improvements, maintenance, and operation of Pointe Coupee Police Jury Hospital District No. 1, including, but not limited to, the Pointe Coupee General Hospital and other medical complexes adjacent thereto and throughout the Police Jury;
- Not less than 20% is dedicated and used for the construction, maintenance, and operations of a comprehensive parish-wide solid waste and non-hazardous waste disposal program;
- Not less than 20% is dedicated and used for the construction and maintenance of public roads, highways, bridges and drainage facilities throughout the unincorporated areas of the Police Jury;

**NOTE 9 -DEDICATED REVENUE (CONTINUED)**

**Sales and Use Tax (Continued)**

- Not less than 14% is dedicated and used for capital improvements, maintenance and operations of a parish-wide recreational program, including, but not limited to, a senior citizens and youth services program;
- The remaining 11% shall be appropriated by the Police Jury for lawful Police Jury purposes, by ordinance or resolution of the Police Jury.

An additional ½ cent sales and use tax was approved by the voters on May 3, 1997, for 15 years for the purpose of constructing, improving and resurfacing the public roads and bridges in the Police Jury. This sales and use tax was renewed on November 2, 2010 for an additional 15 years.

**NOTE 10 - PENSION PLAN**

The Police Jury is a participating employer in several cost-sharing designed benefit pension plans. These plans are administered by three public employee retirement systems, the Parochial Employees' Retirement System of Louisiana (PERS), the Registrar of Voters Employees' Retirement System (ROVERS), and the District Attorneys' Retirement System (DARS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annually publicly available financial report that includes financial statements and require supplementary information for the system. These reports may be obtained by writing, calling, or downloading the reports as follows:

**PERS:**

7905 Wrenwood Blvd.  
Baton Rouge, LA 70809  
(225) 928-1361  
www.persla.org

**ROVERS:**

P.O. Box 57  
Jennings, LA 70546  
(800) 510-8515  
www.larovers.com

**DARS:**

1645 Nicholson Drive  
Baton Rouge, LA 70802  
(225) 383-2227  
www.ladars.org

**Plan Descriptions:**

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Parochial Employees' Retirement System of Louisiana (PERS)**

Substantially all employees of the Police Jury are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple employer defined benefit pension plan established by Act 205 of the 1952 regular session of the legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of

Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. All employees of the Parish are members of Plan A only.

**Registrar of Voters Employees' Retirement System (ROVERS)**

The Registrar of Voters Employees' Retirement System of Louisiana is a cost-sharing, multiple-employer defined benefit pension plan established in accordance with Act 215 of 1954, under Revised Statute 11:2032 to provide retirement allowances and other benefits for registrars of voters, their deputies, and their permanent employees in each parish of the State of Louisiana.

**District Attorneys' Retirement System (DARS)**

The District Attorneys' Retirement System is a cost sharing multiple employer defined benefit pension plan that was created on August 1, 1956, by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirement, and death benefit, are provided as specified in the plan.

**Funding Policy**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

**NOTE 10 - PENSION PLAN (CONTINUED)**

Employer contribution rates to the plans are required and actuarially determined for PERS, ROVERS, and DARS. The contribution rates in effect for the year ended December 31, 2018, for the Parish and covered employees were as follows:

<u>Plan</u>	<u>Parish</u>	<u>Employees</u>
PERS (Plan A)	12.50%	9.35%
ROVERS	17.00%	7.00%
DARS	0.00%	8.00%

The contributions made to the Plans for the past three fiscal years were as followed:

<u>Plan</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
PERS (Plan A)	\$ 187,067	\$ 206,750	\$ 242,200
ROVERS	4,872	5,952	6,003
DARS	49	-	498
	<u>\$ 191,988</u>	<u>\$ 212,702</u>	<u>\$ 248,701</u>

The non-employer contributions made to the Plans for the past three fiscal years were as follows:

<u>Plan</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
PERS (Plan A)	\$ 19,747	\$ 24,421	\$ 27,967
ROVERS	6,043	5,834	5,658
DARS	1,091	1,050	1,112
	<u>\$ 26,881</u>	<u>\$ 31,305</u>	<u>\$ 34,737</u>

**NOTE 10 - PENSION PLAN (CONTINUED)**

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

The following schedule lists the Police Jury’s proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the measurement dates. The Police Jury uses this measurement to record its net pension liability and associated amounts as of December 31, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at the measurement date of each plan, along with the change compared prior year rates. The Police Jury’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employees, actuarially determined.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)**

	Net Pension Liability (Asset) at December 31, 2018	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
PERS (Plan A) (1)	\$ (197,147)	0.2656%	0.3306%	-0.0650%
ROVERS (2)	48,657	0.2061%	0.2063%	-0.0002%
DARS (2)	<u>4,018</u>	0.0125%	0.0128%	-0.0003%
Total	<u>\$ (144,472)</u>			

(1) December 31, 2017 Measurement Date

(2) June 30, 2018 Measurement Date

The following schedule lists each pension plan’s recognized pension expense of the Police Jury for the year ended December 31, 2018:

	Total
Parochial Employees' Retirement System of Louisiana (Plan A)	\$ 45,459
Registrar of Voters Employees' Retirement System	6,230
District Attorneys' Retirement System	<u>1,261</u>
	<u>\$ 52,950</u>

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)**

At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PERS:</b>		
Differences between expected and actual experience	\$ -	\$ (127,619)
Changes of assumptions	248,830	-
Net difference between projected and actual earnings on pension plan investments	-	(455,469)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	230	(22,482)
Differences between allocated and actual contributions	-	(57,673)
Employer contributions subsequent to the measurement date	176,907	-
PERS Total	425,967	(663,243)
<b>ROVERS:</b>		
Differences between expected and actual experience	\$ -	\$ (7,424)
Changes of assumptions	7,970	(731)
Net difference between projected and actual earnings on pension plan investments	2,923	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	840	(320)
Differences between allocated and actual contributions	40	-
Employer contributions subsequent to the measurement date	2,472	-
ROVERS Total	14,245	(8,475)

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)**

At December 31, 2018, the Police Jury reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (continued):

<b>DARS:</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22	\$ (583)
Changes of assumptions	2,437	(158)
Net difference between projected and actual earnings on pension plan investments	336	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	81	(265)
Differences between allocated and actual contributions	171	-
Employer contributions subsequent to the measurement date	49	-
DARS Total	3,096	(1,006)
Total Plans	\$ 443,308	\$ (672,724)

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	PERS	ROVERS	DARS	Total
2018	(14,433)	-	-	(14,433)
2019	(54,516)	2,453	779	(51,284)
2020	(164,714)	1,251	469	(162,994)
2021	(180,520)	(1,200)	135	(181,585)
2022	-	794	198	992
2023	-	-	458	458
	\$ (414,183)	\$ 3,298	\$ 2,039	\$ (408,846)

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

	<u>Valuation Date</u>	<u>Expected Remaining Service Lives</u>	<u>Investment Rate of Return</u>
PERS (Plan A)	December 31, 2017	4 years	6.75% net of investment expenses, including inflation
ROVERS	June 30, 2018	5 years	6.50% net of investment expenses
DARS	June 30, 2018	6 years	6.50% net of investment expenses

***Mortality:***

**PERS**

RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

**ROVERS**

RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants.

**DARS**

The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

***Salary Increases:***

**PERS**

Plan A – 5.25% (2.75% Merit; 2.50% Inflation).

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

**ROVERS**

6.0% (2.4% Inflation; 3.6% Merit).

**DARS**

5.50% (2.40% Inflation; 3.10% Merit).

***Cost of Living Adjustments:***

**PERS**

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

**ROVERS**

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

**DARS**

Only those previously granted.

**NOTE 10 - PENSION PLAN (CONTINUED)**

The following table provides a summary of the best estimates of arithmetic/ geometric real rates of return for each major asset class included in each of the Retirement Systems' target asset allocations as of December 31, 2018:

Asset Class	Target Allocation		
	PERS	ROVERS	DARS
Equity	52.00%	60.00%	61.72%
Fixed Income	35.00%	22.50%	28.95%
Alternative	11.00%	10.00%	8.85%
Other	2.00%	7.50%	0.48%
Totals	100.00%	100.00%	100.00%

Asset Class	Expected Portfolio Real Rate of Return		
	PERS	ROVERS	DARS
Equity	3.57%	4.70%	10.82%
Fixed Income	1.24%	0.66%	6.36%
Alternative	0.69%	0.63%	10.50%
Other	0.12%	0.34%	0.50%
Totals	5.62%	6.33%	6.95%
Inflation	2.00%	2.50%	2.50%
Expected Nominal Return	7.62%	8.83%	9.45%

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rates used for each respective plan is displayed in the Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate table.

**NOTE 10 - PENSION PLAN (CONTINUED)**

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

The following table presents the Police Jury's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Police Jury's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<b>PERS</b>			
Discount Rates	5.75%	6.75%	7.75%
Share of Net Pension Liability	\$ 972,012	\$ (197,147)	\$ (1,238,208)
<b>ROVERS</b>			
Discount Rates	5.50%	6.50%	7.50%
Share of Net Pension Liability	\$ 74,624	\$ 48,657	\$ 26,382
<b>DARS</b>			
Discount Rates	5.50%	6.50%	7.50%
Share of Net Pension Liability	\$ 10,817	\$ 4,018	\$ (1,767)

**NOTE 11 - DEFERRED COMPENSATION PLAN**

The Police Jury offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by Nationwide Retirement Solutions, Inc. (Nationwide). The Plan, available to all Police Jury employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required, the Police Jury established a custodial account with a third party administrator who will hold the assets and income of the plan. Assets totaling \$326,870 are held by Nationwide under agreement with the Police Jury.

The Police Jury has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Under this statement, governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the Police Jury plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Police Jury's financial statements.

## NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

The Police Jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Police Jury's employees become eligible for those benefits if they reach normal retirement age while working for the Police Jury. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the retirees and by the Police Jury.

**Plan Description.** The Pointe Coupe Parish Police Jury's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by a retirement system 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. Complete plan provisions are included in the official plan documents.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. A level \$10,000 amount of insurance coverage while active is continued after retirement. Since GASB 75 requires the use of "unblended" rates, the actuary used the SOA RP-2000 Combined mortality table described above to "unblend" the rates to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

**Contribution Rates.** Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. Employees pay a portion of the medical cost for employee and dependent retirement coverage. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy.** Until 2009, the Police Jury recognized the cost of providing post-employment medical and life benefits (Police Jury's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis.

## NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Effective January 1, 2018, the Point Coupee Parish Police Jury implemented Government Accounting Standards Board Statement No. 75, *Accounting for Post-employment Benefits* (GASB 75), which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of actuarially determined accrued benefits less amounts funded into a trust rather than recognizing the liability based upon the difference between funding recommendations and actual contributions, as was previously required. Additionally, the liability is now measured based on more prescriptive standards. The standard became effective for annual reporting periods beginning after June 15, 2017. The effect of the new standard on beginning net position for the year ended December 31, 2018 is discussed in Note 19 to the financial statements.

**Actuarial Methods and Assumptions** – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

**Actuarial Cost Method** – Each employee's service costs are calculated as a level percentage of that employee's projected pay. The attribution period extends from the first period for which the employee provides service under the benefit terms through the assumed commencement of benefit payments for that employee. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets** – Since the OPEB obligation has not as yet been funded, there are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Turnover Rate** – An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of 7.5%.

**Post employment Benefit Plan Eligibility Requirements** – Based on past experience, it has been assumed that entitlement to benefits will commence four years after eligibility to enter the D.R.O.P., as described above under "Plan Description" (three years in D.R.O.P. and one additional year). Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate)** – Since this plan is a defined benefit OPEB plan which does not meet the requirements of paragraph 4 of GASB Statement No. 75, the investment return assumption is determined in accordance with paragraph 155 of GASB 75. The discount rate used is 4.10%, which is the value of the Bond-Buyer 20 year general obligation municipal bond index as of December 31, 2018. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years.

**Health Care Cost Trend Rate** – The expected rate of increase in medical cost is based on a historical experience is 5.5% annually (3% for Medicare).

**Mortality Rate** – The SOA RP-2000 Combined Table has been used.

**Method of Determining Value of Benefits** – The “value of benefits” has been assumed to be the portion of the premium after the retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retiree under a fully insured plan. The actuary has used the rates provided which were deemed to be “unblended” as mandated by GASB 75. The active employees and pre-Medicare retirees are assigned the same rate, a blended rate. Thus, since GASB 75 mandates that “unblended” rates be used, based on actual experience we have estimated the “unblended” rates for retired members before Medicare eligibility to be 145% of the blended rates. The rates after Medicare eligibility were calculated from actual rates in the employee census data.

**Inflation Rate** - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**Projected Salary Increases** – For purposes of determining the actuarial OPEB costs and liabilities in this valuation, and annual salary increase of 3% has been used.

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

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**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	40
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>57</u>
Total employees covered by benefit terms	<u><u>97</u></u>

**Total OPEB Liability**

The Police Jury’s total OPEB liability of \$2,696,790 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	2.50%
Salary increases	3.0% including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC) 4.10% annually (As of End of Year Measurement Date)
Health care cost trend rates	Flat 5.5% annually

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.

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Changes in the Total OPEB Liability**

Balance at December 31, 2017, restated	<u>\$ 2,954,929</u>
Changes for the year	
Service Cost	48,611
Interest	102,486
Differences between expected and actual experience	(57,225)
Changes in assumptions	(224,380)
Benefit payments and net transfers	<u>(127,631)</u>
Net change	<u>(258,139)</u>
Balance at December 31, 2018	<u><u>\$ 2,696,790</u></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	\$ 3,043,244	\$ 2,696,790	\$ 2,409,748

**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 (4.50%)	Current Trend (5.50%)	1.0% Increase (6.50%)
Total OPEB liability	\$ 3,043,244	\$ 2,696,790	\$ 2,409,748

**NOTE 12 - OTHER POST-EMPLOYMENT 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 \$115,896. 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
Differences between expected and actual experience	\$ -	\$ (50,072)
Changes in assumptions	-	(196,333)
Total	\$ -	\$ (246,405)

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	OPEB Expense
2019	\$ (35,201)
2020	(35,201)
2021	(35,201)
2022	(35,201)
2023	(35,201)
Thereafter	(70,400)
Total	\$ (246,405)

**NOTE 13 - INTERFUND TRANSACTIONS**

**Interfund receivable and payable balances**

Interfund receivable and payable balances represent short-term borrowing between funds. The interfund balances of the primary government at December 31, 2018 were as follows:

Individual Fund	Receivable	Payable
<b>Primary Government:</b>		
<b>General Fund:</b>		
Sales Tax	\$ 134,745	\$ -
Drainage and Road Equipment	-	250,000
Solid Waste	-	300,000
<b>Total General Fund</b>	<b>134,745</b>	<b>550,000</b>
<b>Drainage and Road Equipment</b>		
General Fund	250,000	-
<b>Total Governmental-type activities</b>	<b>384,745</b>	<b>550,000</b>
<b>Enterprise Funds:</b>		
<b>Natural Gas System</b>		
Multi-Use Center	275,000	-
<b>Solid Waste</b>		
General Fund	300,000	-
<b>Multi-Use Center</b>		
Natural Gas System	-	275,000
<b>Total Enterprise Funds</b>	<b>575,000</b>	<b>275,000</b>
<b>Fiduciary Fund</b>		
<b>Sales Tax:</b>		
General Fund	-	134,745
<b>Total interfund balances</b>	<b>\$ 959,745</b>	<b>\$ 959,745</b>

**NOTE 13 - INTERFUND TRANSACTIONS (CONTINUED)**

**Interfund Transfers**

The interfund transfers of the primary government during the year ended December 31, 2018 were as follows:

<u>Individual Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Primary Government</b>		
<b>Governmental-type activities:</b>		
<b>General Fund:</b>		
Criminal Court	\$ -	\$ 200,000
Detention Center	-	475,000
Multi Use Center	-	100,000
Roads and Bridges	-	50,000
Solid Waste	350,000	-
Natural Gas System	247,800	-
<b>Total General Fund</b>	<u>597,800</u>	<u>825,000</u>
<b>Drainage</b>		
Roads and Bridges	-	50,000
<b>Roads and Bridges:</b>		
General Fund	50,000	-
Drainage	50,000	-
Debt Service Road Improvement	420,000	-
Recreation	25,000	-
<b>Total Roads and Bridges</b>	<u>545,000</u>	<u>-</u>
<b>Detention Center:</b>		
General Fund	475,000	-
Road and Drainage Equipment	100,000	-
Solid Waste	125,000	-
<b>Total Detention Center</b>	<u>700,000</u>	<u>-</u>
<b>Debt Service Road Improvement:</b>		
Roads and Bridges	-	420,000
<b>Parishwide Recreation:</b>		
Multi Use Center	-	75,000
Roads and Bridges	-	25,000
<b>Total Parishwide Recreation</b>	<u>-</u>	<u>100,000</u>
<b>Drainage and Road Equipment</b>		
Detention Center	-	100,000
<b>Criminal Court</b>		
General Fund	200,000	-
<b>Total Governmental-type activities</b>	<u>2,042,800</u>	<u>1,495,000</u>

**NOTE 13 - INTERFUND TRANSACTIONS (CONTINUED)**

**Interfund Transfers (Continued)**

Individual Fund	Transfer In	Transfer Out
<b>Primary Government:</b>		
<b>Business-type activities:</b>		
<b>Natural Gas</b>		
General Fund	\$ -	\$ 247,800
<b>Mutli Use Center:</b>		
General Fund	100,000	-
Recreation	75,000	-
<b>Total Multi Use Center</b>	175,000	-
<b>Solid Waste:</b>		
Detention Center	-	125,000
General Fund	-	350,000
<b>Total Solid Waste</b>	-	475,000
<b>Total Business-type activities</b>	175,000	722,800
 <b>Total primary government</b>	 \$ 2,217,800	 \$ 2,217,800

The following exchange of funds between the primary government and its discretely presented component units during 2018, which are classified as external transactions on the Government-wide Statement of Activities, are as follows:

Individual Fund	Receivable	Payable
<b>Primary Government:</b>		
<b>Governmental Activities</b>		
<b>General Fund</b>		
Mosquito Abatement	\$ -	\$ 35,000
Legonier Sewer District	135,000	-
Sewer District No. 3A	20,000	-
<b>Total Primary Government</b>	155,000	35,000
<b>Component Units:</b>		
<b>Business-type Activities:</b>		
<b>Mosquito Abatement</b>		
General Fund	35,000	-
<b>Legonier Sewer District</b>		
General Fund	-	135,000
<b>Sewer District No. 3A</b>		
General Fund	-	20,000
<b>Total Component Units</b>	35,000	155,000
<b>Total</b>	\$ 190,000	\$ 190,000

## **NOTE 14 - COMMITMENTS AND CONTINGENCIES**

### **Grants**

The Police Jury receives Federal and State grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of Police Jury management that the Police Jury's compliance with the terms of grants will result in negligible, if any, disallowed costs.

### **Risk Management**

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The Police Jury has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Police Jury. Settled claims have not exceeded this insurance coverage in any of the past three years.

### **Litigation and Claims**

At December 31, 2017, the Police Jury is defendant in several pending lawsuits filed in the 18<sup>th</sup> Judicial District Court. The majority of these cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. As a result, no liability has been recorded relating to any of these claims and suits. It is the opinion of Police Jury management and legal counsel that the ultimate resolution of any unrecorded litigation will not have a material effect on the financial position of the Police Jury.

In accordance with Paragraph (B) (1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Police Jury entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Police Jury as the single tax collection agency. The agreement is effective as of July 1, 1992.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Operating Leases**

The Police Jury has entered into multiple operating lease agreements for equipment. During 2018, rental expense was approximately \$114,000. The estimated minimum future lease commitments, at December 31, 2018, are as follows:

<u>Fiscal year ended:</u>	<u>Amount</u>
2019	\$ 86,000
2020	20,000
2021	5,000
2022	5,000
2023	5,000
Thereafter	<u>4,000</u>
Total	<u>\$ 125,000</u>

**NOTE 15 - SUBSEQUENT EVENT**

In 2016, an election was held in Pointe Coupee Parish to seek voter approval of a home rule charter. Parish voters approved the establishment of a parish president-parish council form of government. Elections were held in November 2018, and a Parish President and Parish Council were elected. Effective January 12, 2019, this new form of parish government took effect which operates under a voter approved Home Rule Charter.

**NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

***Expenditures Exceeding Appropriations***

Excess of expenditures over appropriations in individual funds or departments within the funds occurred as follows:

	Revised Budget	Actual (GAAP Basis)	Variance
<b>General Fund:</b>			
Culture and recreation	96,810	97,534	(724)
Capital outlay	3,025	6,635	(3,610)
Debt Service	48,000	49,550	(1,550)
<b>Special Revenue Funds:</b>			
Drainage Fund:			
Capital outlay	66,100	270,233	(204,133)
Detention Center Fund:			
Public safety	447,207	479,457	(32,250)
Roads and Bridges Fund:			
Capital Outlay	50,000	57,607	(7,607)

**NOTE 17 - POLICE JURY MEMBER COMPENSATION**

Compensation paid to the Police Jurors during 2018 was as follows:

	Amount
Kyle Olinde, President	\$ 14,400
J.A. Bueche	14,400
Glenn Cline	14,400
Justin Cox	14,400
Cornell Dukes	14,400
Mitch Langlois	14,400
Kurt Jarreau	14,400
Gordon Taylor	14,400
Stephen Smith	14,400
Anthony Hurst, Sr.	14,400
Edward Bazile	14,400
Charles Watkins	14,400
	\$ 172,800

**NOTE 18 - SALES TAX REMITTED TO OTHER TAXING AUTHORITIES**

Act 711 of the 2011 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during calendar year 2018.

	Total Collections	Collection Cost	Final Distribution
Pointe Coupee Parish School Board	\$ 5,872,739	\$ 146,818	\$ 5,725,921
City of New Roads	1,431,054	35,776	1,395,278
Town of Livonia	264,665	3,970	260,695
Village of Morganza	38,520	578	37,942
Town of Fordoche	26,618	399	26,219
Total	<u>\$ 7,633,596</u>	<u>\$ 187,541</u>	<u>\$ 7,446,055</u>

**NOTE 19 - TAX REVENUES ABATED**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending December 31, 2018, \$124,342 in Pointe Coupee Parish Police Jury ad valorem taxes revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption Program.

**NOTE 20 - RESTATEMENT OF NET POSITION**

The January 1, 2018, beginning balance of the net position was restated as follows:

**Government-Wide Financial Statements**

	Primary Government		Component Units
	Governmental Activities	Business - type Activities	Business-type Activities
Net position, December 31, 2017, as previously stated:	\$ 16,534,935	\$ 2,187,182	\$ 3,231,927
To restate accounts receivable due to reconciliation error	68,622	(178,106)	(9,906)
To restate other post-employment benefits due to implementation of GASB 75	<u>(224,883)</u>	<u>-</u>	<u>-</u>
Net position, December 31, 2017, as restated:	<u>\$ 16,378,674</u>	<u>\$ 2,009,076</u>	<u>\$ 3,222,021</u>

**NOTE 20 - RESTATEMENT OF NET POSITION (CONTINUED)**

	Parishwide Drainage	Natural Gas System	Solid Waste
Net position, December 31, 2017, as previously stated:	\$ 281,867	\$ 1,079,238	\$ 527,403
To restate accounts receivable due to reconciliation error	68,622	(50,902)	(127,204)
Net position, December 31, 2017, as restated:	\$ 350,489	\$ 1,028,336	\$ 400,199

**POINTE COUPEE PARISH POLICE JURY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**

For the year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance - positive (negative)
<b>REVENUES</b>				
Taxes	\$ 1,623,450	\$ 1,653,500	\$ 1,666,088	\$ 12,588
Intergovernmental	1,280,500	1,228,600	1,359,374	130,774
Charges for services	154,500	116,900	141,940	25,040
Licenses and permits	347,800	384,700	348,432	(36,268)
Investment income	-	-	-	-
Miscellaneous	25,500	35,045	49,000	13,955
<b>Total revenues</b>	<u>3,431,750</u>	<u>3,418,745</u>	<u>3,564,834</u>	<u>146,089</u>
<b>EXPENDITURES</b>				
Current function:				
General government	2,581,990	2,327,589	2,254,319	73,270
Health and welfare	184,475	182,217	155,621	26,596
Public safety	427,225	470,515	438,349	32,166
Culture and recreation	95,500	96,810	97,534	(724)
Economic development	139,520	128,300	112,759	15,541
Capital outlay	1,200	3,025	6,635	(3,610)
Debt service	95,800	48,000	49,550	(1,550)
<b>Total expenditures</b>	<u>3,525,710</u>	<u>3,256,456</u>	<u>3,114,767</u>	<u>141,689</u>
Excess of revenues over expenditures	<u>(93,960)</u>	<u>162,289</u>	<u>450,067</u>	<u>287,778</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	547,800	597,800	597,800	-
Transfers out	(525,000)	(800,000)	(825,000)	(25,000)
<b>Total other financing sources (uses)</b>	<u>22,800</u>	<u>(202,200)</u>	<u>(227,200)</u>	<u>(25,000)</u>
<b>Net change in fund balance</b>	<u>\$ (71,160)</u>	<u>\$ (39,911)</u>	<u>222,867</u>	<u>\$ 262,778</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>671,057</u>	
End of year			<u>\$ 893,924</u>	

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PARISHWIDE DRAINAGE FUND**

For the year ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Taxes	\$ 615,000	\$ 640,000	\$ 686,273	\$ 46,273
Intergovernmental	340,000	69,500	204,219	134,719
Charges for services	<u>405,500</u>	<u>418,500</u>	<u>520,246</u>	<u>101,746</u>
Total revenues	<u>1,360,500</u>	<u>1,128,000</u>	<u>1,410,738</u>	<u>282,738</u>
<b>EXPENDITURES</b>				
Current function:				
Drainage	889,870	931,346	797,652	133,694
Capital outlay	<u>341,100</u>	<u>66,100</u>	<u>270,233</u>	<u>(204,133)</u>
Total expenditures	<u>1,230,970</u>	<u>997,446</u>	<u>1,067,885</u>	<u>(70,439)</u>
Deficiency of revenues over expenditures	<u>129,530</u>	<u>130,554</u>	<u>342,853</u>	<u>212,299</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 79,530</u>	<u>\$ 80,554</u>	292,853	<u>\$ 212,299</u>
<b>FUND BALANCE</b>				
Beginning of year, restated			<u>350,489</u>	
End of year			<u>\$ 643,342</u>	

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ROADS AND BRIDGES**

For the year ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 252,500	\$ 262,500	\$ 277,384	\$ 14,884
Licenses and permits	2,500	2,500	1,863	(637)
 Total revenues	<u>255,000</u>	<u>265,000</u>	<u>279,247</u>	<u>14,247</u>
 <b>EXPENDITURES</b>				
Current function:				
Highways and streets	654,240	824,015	725,794	98,221
Capital outlay	<u>35,000</u>	<u>50,000</u>	<u>57,607</u>	<u>(7,607)</u>
 Total expenditures	<u>689,240</u>	<u>874,015</u>	<u>783,401</u>	<u>90,614</u>
 Deficiency of revenues over expenditures	 (434,240)	 (609,015)	 (504,154)	 104,861
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>435,000</u>	<u>520,000</u>	<u>545,000</u>	<u>25,000</u>
 Net change in fund balance	<u>\$ 760</u>	<u>\$ (89,015)</u>	40,846	<u>\$ 129,861</u>
 <b>FUND BALANCE</b>				
Beginning of year			<u>111,415</u>	
 End of year			<u>\$ 152,261</u>	

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DETENTION CENTER FUND**

For the year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance - positive (negative)
<b>REVENUES</b>				
Taxes	\$ 185,000	\$ 200,000	\$ 205,882	\$ 5,882
Grant	200,000	-	-	
Charges for services	<u>2,500</u>	<u>500</u>	<u>58</u>	<u>(442)</u>
Total revenues	<u>387,500</u>	<u>200,500</u>	<u>205,940</u>	<u>5,440</u>
<b>EXPENDITURES</b>				
Current function:				
Public safety	466,550	447,207	479,457	(32,250)
Capital outlay	<u>350,000</u>	<u>58,300</u>	<u>1,220</u>	<u>57,080</u>
Total expenditures	<u>816,550</u>	<u>505,507</u>	<u>480,677</u>	<u>24,830</u>
Deficiency of revenues over expenditures	(429,050)	(305,007)	(274,737)	30,270
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>425,000</u>	<u>750,000</u>	<u>700,000</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ (4,050)</u>	<u>\$ 444,993</u>	425,263	<u>\$ (19,730)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>(412,414)</u>	
End of year			<u>\$ 12,849</u>	

Notes on Exhibit A-12 are an integral part of this statement.

## POINTE COUPEE PARISH POLICE JURY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended December 31, 2018

#### NOTE 1 - BUDGETS

##### **Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Police Jury Treasurer to the Police Jury prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget is prepared on the modified accrual basis for the general, special revenue, debt service, capital projects, and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

##### **Basis of Accounting**

All of the Police Jury's funds budgets are prepared on the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements for the year ended December 31, 2018.

##### **Excess of Expenditures over Appropriations**

For the fiscal year ended December 31, 2018, expenditures exceeded appropriations in the following funds:

	Revised Budget	Actual (GAAP Basis)	Variance
<b>General Fund:</b>			
Culture and Safety	\$ 96,810	\$ 97,534	\$ (724)
Capital Outlay	3,025	6,635	(3,610)
Debt Service	48,000	49,550	(1,550)
<b>Special Revenue Funds:</b>			
Drainage Fund:			
Capital Outlay	66,100	270,233	(204,133)
Roads and Bridges Fund:			
Capital Outlay	447,207	479,457	(32,250)
Detention Center Fund:			
Public Safety	50,000	57,607	(7,607)

**POINTE COUPEE PARISH POLICE JURY**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS**

For the year ended December 31, 2018

<b>Total OPEB Liability</b>	
Service cost	\$ 48,611
Interest	102,486
Changes of benefit terms	-
Differences between expected and actual experience	(57,225)
Changes of assumptions	(224,380)
Benefit payments	(127,631)
Net change in total OPEB liability	<u>(258,139)</u>
Total OPEB liability, beginning of year, restated	<u>2,954,929</u>
Total OPEB liability, end of year	<u><u>\$ 2,696,790</u></u>
Covered-employee payroll	<u><u>\$ 1,487,173</u></u>
Net OPEB liability as a percentage of covered-employee payroll	181.34%

**Notes 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 December 31, 2017 was 3.44% and it changed to 4.10% as of December 31, 2018.

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

**POINTE COUPEE PARISH POLICE JURY**  
**SCHEDULE OF PROPORTIONATE SHARE OF**  
**NET PENSION LIABILITY**

**LAST TEN FISCAL YEARS (1)\***

	2018		
	PERS	ROVERS	DARS
Employers proportion of the net pension liability (asset)	0.2656%	0.2061%	0.0125%
Employers proportionate share of net pension liability (asset)	\$ (197,148)	\$ 48,657	\$ 4,018
Employer's covered-employee payroll	\$ 1,487,173	\$ 28,248	\$ 7,800
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-13.26%	172.25%	51.51%
Plan fiduciary net position as a percentage of the total pension liability	101.98%	80.57%	92.92%
	2017		
	PERS	ROVERS	DARS
Employers proportion of the net pension liability	0.3306%	0.2063%	0.0128%
Employers proportionate share of net pension liability	\$ 680,878	\$ 45,278	\$ 3,445
Employer's covered-employee payroll	\$ 1,863,077	\$ 28,248	\$ 7,800
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.55%	160.29%	44.17%
Plan fiduciary net position as a percentage of the total pension liability	94.15%	80.51%	93.57%
	2016		
	PERS	ROVERS	DARS
Employers proportion of the net pension liability	0.3834%	0.2026%	0.0128%
Employers proportionate share of net pension liability	\$ 1,011,730	\$ 57,509	\$ 2,458
Employer's covered-employee payroll	\$ 2,203,729	\$ 27,840	\$ 7,767
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	45.91%	206.57%	31.65%
Plan fiduciary net position as a percentage of the total pension liability	92.23%	73.98%	95.09%
	2015		
	PERS	ROVERS	DARS
Employers proportion of the net pension liability	0.3897%	0.1993%	0.0133%
Employers proportionate share of net pension liability	\$ 106,533	\$ 48,809	\$ 714
Employer's covered-employee payroll	\$ 2,181,782	\$ 27,036	\$ 7,764
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	4.88%	180.53%	9.20%
Plan fiduciary net position as a percentage of the total pension liability	99.15%	76.86%	98.56%

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

\* As of the pension plan measurement date

**POINTE COUPEE PARISH POLICE JURY**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS (1)**

	2018		
	PERS	ROVERS	DARS
Contractually required contribution	\$ 187,067	\$ 4,872	\$ 49
Contributions in relation to contractually Required contribution	<u>187,067</u>	<u>4,872</u>	<u>49</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered employee payroll	\$ 1,626,668	\$ 28,248	\$ -
Contributions as a percentage of covered employee payroll	11.50%	17.25%	0.00%
	2017		
	PERS	ROVERS	DARS
Contractually required contribution	\$ 206,750	\$ 5,952	\$ -
Contributions in relation to contractually Required contribution	<u>206,750</u>	<u>5,952</u>	<u>-</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered employee payroll	\$ 1,580,656	\$ 28,248	\$ -
Contributions as a percentage of covered employee payroll	13.08%	21.07%	0.00%
	2016		
	PERS	ROVERS	DARS
Contractually required contribution	\$ 242,200	\$ 6,003	\$ 136
Contributions in relation to contractually Required contribution	<u>242,200</u>	<u>6,003</u>	<u>136</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered employee payroll	\$ 1,863,077	\$ 28,044	\$ 7,767
Contributions as a percentage of covered employee payroll	13.00%	21.41%	1.75%
	2015		
	PERS	ROVERS	DARS
Contractually required contribution	\$ 319,541	\$ 6,435	\$ 385
Contributions in relation to contractually Required contribution	<u>319,541</u>	<u>6,435</u>	<u>385</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered employee payroll	\$ 2,203,729	\$ 27,529	\$ 7,764
Contributions as a percentage of covered employee payroll	14.50%	23.38%	4.96%

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

**POINTE COUPEE PARISH POLICE JURY**

**NOTES TO PROPORTIONATE SHARE OF NET PENSION  
LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS**

For the year ended December 31, 2018

**NOTE 1 - NET PENSION LIABILITY**

**Changes of Benefit Terms**

None.

**Changes of Assumptions**

In 2018 the investment rate of return for PERS, ROVERS, and DARS decreased by .25%. Investment rates of returns for PERS, ROVERS, and DARS are 6.75%, 6.50%, and 6.50%, respectively.

In 2017 the investment rate of return for ROVERS and DARS decreased by .25% resulting in investment rates of returns of 6.75% and 6.75%, respectively. There were no changes in assumptions for PERS during this period.

In 2016 the investment rate of return for PERS decreased by .25% resulting in an investment rate of return of 7%. There were no changes in assumptions for ROVERS nor DARS during this period.

In 2015 the investment rate of return for PERS, ROVERS, and DARS was 7.25%, 7%, and 7% respectively. Additionally, the expected remaining service life for DARS changed from 6 years for June 30, 2015 to 7 years for June 30, 2016 measurement date.

**POINTE COUPEE PARISH POLICE JURY**

**SUPPLEMENTAL INFORMATION**

## POINTE COUPEE PARISH POLICE JURY

### MAJOR AND NON-MAJOR FUND DESCRIPTIONS

#### **Governmental Funds**

##### **General Fund:**

General Fund - The General Fund accounts for all transactions not required to be accounted for in another fund.

##### **Special Revenue Funds:**

Parishwide Drainage Fund - accounts for routine maintenance of parish drainage facilities. Financing is provided by transfers from the General Fund and proceeds from sales tax collections.

Criminal Court Fund - accounts for the receipts of court fees and fines and the disbursements of court costs of the 18th Judicial District.

Drainage and Road Equipment Fund - accounts for designated revenues and the expenditures to purchase equipment.

Detention Center - accounts for a dedicated tax levy for the construction, maintenance and operations of the parish jail facility.

Parishwide Recreation Fund - accounts for a dedicated tax levy for recreational parks around the parish.

Roads and Bridges Fund - accounts for the construction of new roads and bridges, and the maintenance of existing roads and bridges. The major sources of financing are provided by the State of Louisiana Parish Road Fund, Parish Royalty Fund and grants from the Louisiana Department of Transportation and Development. Use of the funds is restricted by Louisiana Revised Statute 48:753.

Motor Vehicle Handling Fund - accounts for the expenditure of funds used to maintain the building used for the state department of motor vehicles.

**Capital Projects Funds:**

Road Construction - accounts for funds designated by the Police Jury for the ongoing construction of Police Jury maintained roads.

Grants and Capital Outlay Fund - accounts for funds in connection with capital outlay expenditures and associated grant revenue.

**Debt Service Fund:**

Road Improvement Bond Fund - accounts for sales taxes used for the payment of interest and principal on \$6,600,000 Road Improvement Bonds, dated September 1, 1997 and excess sales tax collected for the construction or overlay of parish streets and roads.

**Proprietary Funds:**

Pointe Coupee Parish Natural Gas System - was originally established to provide gas services to residents in the Sixth, Seventh, and portions of the Fifth, Eight, and Ninth Wards of Pointe Coupee Parish on May 7, 1952. The System is governed by a board consisting of Police Jury members.

Pointe Coupee Parish Solid Waste Fund - was established by the Pointe Coupee Parish Police Jury to provide solid waste disposal for all residents of the parish. It is funded through user charges and a special sales tax levy for garbage collection and disposal.

Multi-Use Center - accounts for the funds generated by the activities of the parish cultural center.

**Fiduciary Funds:**

Sales Tax Escrow - accounts for funds from prior sales tax ordinance dedicated for contingencies.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ROAD CONSTRUCTION FUND - MAJOR FUND**

For the year ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 40,660	\$ 40,660
Investment income	-	-	-	-
Other	-	-	100	100
	<u>-</u>	<u>-</u>	<u>40,760</u>	<u>40,760</u>
Total revenues	-	-	40,760	40,760
	<u>-</u>	<u>-</u>	<u>40,760</u>	<u>40,760</u>
Total revenues	-	-	40,760	40,760
	<u>-</u>	<u>-</u>	<u>40,760</u>	<u>40,760</u>
<b>EXPENDITURES</b>				
Current function:				
Highways and streets	-	15,000	45,592	\$ (30,592)
Capital outlay	-	205,000	60,462	144,538
	<u>-</u>	<u>205,000</u>	<u>60,462</u>	<u>144,538</u>
Total expenditures	-	220,000	106,054	113,946
	<u>-</u>	<u>220,000</u>	<u>106,054</u>	<u>113,946</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (220,000)</u>	(65,294)	<u>\$ (73,186)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>715,761</u>	
End of year			<u>\$ 650,467</u>	

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GRANTS AND CAPITAL OUTLAY FUND - MAJOR FUND**

For the year ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 445,000	\$ 583,825	\$ 138,825
<b>EXPENDITURES</b>				
Current function:				
General Government	-	445,000	399,854	45,146
Capital outlay	-	-	183,971	(183,971)
Total expenditures	-	445,000	583,825	(138,825)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>557</u>	
End of year			<u>\$ 557</u>	

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY  
COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2018

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Motor Vehicles Handling</u>	<u>Parishwide Recreation</u>	<u>Drainage and Road Equipment</u>	<u>Criminal Court</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 127,253	\$ 132,612	\$ 19,202	\$ 79,523	\$ 358,590
Accounts receivable, net	-	46,584	16,571	-	63,155
Due from other governments	6,480	-	15,978	-	22,458
Due from other funds	-	-	250,000	-	250,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 133,733</u>	<u>\$ 179,196</u>	<u>\$ 301,751</u>	<u>\$ 79,523</u>	<u>\$ 694,203</u>
<b>LIABILITIES</b>					
Accounts payable	<u>\$ 78</u>	<u>\$ 6,218</u>	<u>\$ -</u>	<u>\$ 5,865</u>	<u>\$ 12,161</u>
<b>FUND BALANCE</b>					
Committed	<u>133,655</u>	<u>172,978</u>	<u>301,751</u>	<u>73,658</u>	<u>682,042</u>
Total liabilities and fund balance	<u>\$ 133,733</u>	<u>\$ 179,196</u>	<u>\$ 301,751</u>	<u>\$ 79,523</u>	<u>\$ 694,203</u>

Notes on Exhibit A-12 are an integral part of this statement.

## POINTE COUPEE PARISH POLICE JURY

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the year ended December 31, 2018

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Motor Vehicles Handling	Parishwide Recreation	Drainage and Road Equipment	Criminal Court	
<b>REVENUES</b>					
Taxes	\$ -	\$ 480,391	\$ 171,568	\$ -	\$ 651,959
Intergovernmental:					
Video poker	-	-	94,049	-	94,049
Charges for services	57,685	74,820	-	-	132,505
Fines and forfeitures	-	-	-	113,722	113,722
<b>Total revenues</b>	<u>57,685</u>	<u>555,211</u>	<u>265,617</u>	<u>113,722</u>	<u>992,235</u>
<b>EXPENDITURES</b>					
Current function:					
Public safety	10,182	-	-	252,508	262,690
Culture and recreation	-	389,365	-	-	389,365
Drainage	-	-	123,203	-	123,203
Debt service:					
Principal	14,303	-	31,825	-	46,128
Interest	7,226	-	11,263	-	18,489
Capital outlay	-	1,504	59,077	-	60,581
<b>Total expenditures</b>	<u>31,711</u>	<u>390,869</u>	<u>225,368</u>	<u>252,508</u>	<u>900,456</u>
Excess (deficiency) of revenues over expenditures	<u>25,974</u>	<u>164,342</u>	<u>40,249</u>	<u>(138,786)</u>	<u>91,779</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	200,000	200,000
Proceeds from sale of capital assets	-	-	512	-	512
Transfers out	-	(100,000)	(100,000)	-	(200,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(100,000)</u>	<u>(99,488)</u>	<u>200,000</u>	<u>512</u>
<b>Net change in fund balance</b>	<u>25,974</u>	<u>64,342</u>	<u>(59,239)</u>	<u>61,214</u>	<u>92,291</u>
<b>FUND BALANCE</b>					
Beginning of year	<u>107,681</u>	<u>108,636</u>	<u>360,990</u>	<u>12,444</u>	<u>589,751</u>
End of year	<u>\$ 133,655</u>	<u>\$ 172,978</u>	<u>\$ 301,751</u>	<u>\$ 73,658</u>	<u>\$ 682,042</u>

Notes on Exhibit A-12 are an integral part of this statement.

**POINTE COUPEE PARISH POLICE JURY**

New Roads, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEADS**

For the year ended December 31, 2018

\* **Agency Head:** Kyle Olinde

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 14,400
Benefits - insurance	7,188
	<u>\$ 21,588</u>

\*During the year ended December 31, 2018, there was no parish administrator for the Police Jury. The role was served by the Board President.

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

## 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*

To Major Thibaut, Parish President, and  
the Parish Council of the Pointe Coupee  
Parish Government  
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pointe Coupee Parish Police Jury (Police Jury), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Police Jury's, basic financial statements and have issued our report thereon dated June 11, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Police Jury'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2018-001 to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are reported in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2018-002 and 2018-003.

## **The Police Jury's Response to Findings**

The Police Jury's responses to the finding identified in our audit are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Baton Rouge, Louisiana  
June 11, 2019

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
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Lafayette, LA 70508 Baton Rouge, LA 70816  
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434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Major Thibaut, Parish President, and  
the Parish Council of the Pointe Coupee  
Parish Government  
New Roads, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the Pointe Coupee Parish Police Jury's (Police Jury) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Police Jury's major federal program for the year ended December 31, 2018. The Police Jury's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the Police Jury complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

### **Report on Internal Control Over Compliance**

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

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Baton Rouge, Louisiana  
June 11, 2019

**POINTE COUPEE PARISH POLICE JURY**

New Roads, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended December 31, 2018

<u>Grantor/State Pass-through/ Program name/</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Amount</u>	<u>Balance January 1</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>	<u>Balance December 31</u>
<b>United States Department of Agriculture, Natural Resources</b>							
<b>Conservation Service</b>							
Louisiana Department of Agriculture, Natural Resources Conservation Service							
Emergency Watershed Protection Program	10.928	68-7217-18-200	4,874,000	\$ -	\$ 17,743	\$ 17,743	\$ -
<b>United States Department of Transportation</b>							
Louisiana Department of Transportation and Development							
Formula Grants for Rural Areas	20.509	LA-2017-013-00	N/A	\$ 17,555	\$ 244,125	\$ 247,671	\$ 21,101
<b>United States Department of Homeland Security</b>							
<b>Federal Emergency Management Agency</b>							
Governor's Office of Homeland Security and Emergency Preparedness							
FEMA - Hazard Mitigation Grant							
Lottie Hwy 81 Drainage Improvements	97.039	1786-077-0003	51,000	18,934	18,934	-	-
Major Bros. Subdivision Drainage Improvements	97.039	1786-077-0005	73,950	27,455	27,455	-	-
Total CFDA 97.039				46,389	46,389	-	-
<b>United States Department of Housing and Urban Development</b>							
Louisiana Division of Administration/ Office of Community of Development							
LCDBG - Disaster Recovery Unit	14.228	B-08-DI-22-001	6,301,099	-	583,825	583,825	-
LCDBG - Sewer	14.228	B-18-DC-22-0001	298,190	-	40,660	40,660	-
Total CFDA 14.228				-	624,485	624,485	-
Total Federal Assistance				\$ 63,944	\$ 932,742	\$ 889,899	\$ 21,101

**POINTE COUPEE PARISH POLICE JURY**  
New Roads, Louisiana

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended December 31, 2018

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

The Pointe Coupee Parish Police Jury's Schedule of Expenditures of Federal Awards presents the activity of the federal financial assistance programs of the Police Jury. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed-through other government agencies are included on the schedule. The expenditures included in the Schedule of Expenditures of Federal Awards are recorded in the General and Grants and Capital Outlay funds.

**Basis of Accounting**

The Police Jury's Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements for the year ended December 31, 2018.

**De Minimus Cost Rate**

During the year ended December 31, 2018, the Police Jury did not elect to use the 10% de minimus cost rate as covered in part 200.414 of the Uniform Guidance.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2018

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Pointe Coupee Parish Police Jury. Additionally, the auditor's report expresses an adverse opinion on the financial statements of the aggregate discretely presented component units of the Pointe Coupee Parish Police Jury because the Police Jury does not issue reporting entity financial statements to include all component units.
2. One material weakness in internal control were disclosed by the audit of the basic financial statements.
3. Two instances of noncompliance material to the financial statements which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed by the audit of the financial statements.
4. No deficiencies in internal control over the major program were disclosed by the audit of the basic financial statements.
5. An unmodified opinion was issued on compliance for the major program.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
7. The major program was:  
  
United States Department of Community Planning and Development, Department of Housing and Urban Development: Community Development Block Grants/State's Program, CFDA 14.228.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2018

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

A. Internal Control Findings –

See internal control finding 2018-001 on the schedule of current and prior year audit findings and management's corrective action plan.

B. Compliance Findings –

See compliance findings 2018-002 and 2018-003 on the schedule of current and prior year audit findings and management's corrective action plan.

Part III. Findings and questioned costs for Major Federal awards in accordance with 2 CFR section 200 of the Uniform Guidance:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

2018-001 Customer Deposits Payable

Fiscal year finding initially occurred: 2016

CONDITION: Customer meter deposits payable in the Natural Gas Fund totaled \$793,183 at December 31, 2018; however, cash and cash equivalents only totaled \$520,239 in the Natural Gas System Fund. Additionally, the Solid Waste Fund had customer deposits payable in the amount of \$50,190, with cash and cash equivalents in the amount of \$14,825. Thus, there is insufficient cash at year-end to cover customer deposits.

CRITERIA: The Natural Gas System and Solid Waste Fund collect customer deposits to guarantee the payment of bills that become due and the safe return of all property belonging to the System. Such deposits are to be repaid upon discontinuance of service once all outstanding bills have been paid.

CAUSE: The Police Jury has not established a separate cash account for customer deposits.

EFFECT: Insufficient cash levels could cause noncompliance with contractual agreements related to customer deposits.

RECOMMENDATION: The Police Jury should maintain separate cash accounts for the repayment of customer deposits.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management of the Police Jury is aware of the cash flow challenges it has faced in the current and previous fiscal years. The Police Jury has and will continue to make significant budgetary cuts during 2019 to address these matters.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

B. Compliance

2018-002 Violation of State Budget Law

Fiscal year finding initially occurred: 2007

CONDITION: The Parish Wide Drainage Fund's actual expenditures exceeded budgeted expenditures by 7%. This is a repeat finding from the prior year.

CRITERIA: Louisiana Revised Statute 39:1311 requires governments to amend general and special revenue fund budgets when actual expenditures plus expected expenditures exceed budgeted amounts by 5% or more or when actual revenues plus expected revenues will fall short of budgeted amounts by 5% or more.

CAUSE: The condition is a result of failure to properly monitor the expenditures of the Parish Wide Drainage Fund.

EFFECT: The Police Jury may not prevent and/or detect compliance violations due to revenue falling short of budgeted amounts, over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The Police Jury should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to comply with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management of the Police Jury monitors its budget continuously during each fiscal year to properly manage finances, along with maintaining compliance with Louisiana budget laws. The Police Jury will continue to monitor budgets of all funds on an ongoing basis and amend its budget in accordance with state statutes to ensure fiscal responsibility and compliance.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

2018-003 Noncompliance with Bond Covenants

Fiscal year finding initially occurred: 2015

CONDITION: The Police Jury is not in full compliance with its bond resolution requiring the establishment and funding of certain accounts for the 2011 and 2016 Road Improvement Bonds to be restricted as to use. These bond covenants require that sinking fund transfers be made on or before the 20th of each month. These deposits were not made timely by the Police Jury. This is a repeat finding from the prior period.

The Police Jury is not in full compliance with its bond resolution requiring the Sewerage District No. 4 to establish and maintain such rates and collect such fees sufficient to pay the reasonable and necessary expenses of operating and maintaining the system each year. The Sewerage District No. 4 incurred a change in net position of (\$11,827) for the year ended December 31, 2018, indicating its fees are insufficient to cover operations and maintenance.

CRITERIA: The Police Jury's ordinances authorizing the issuance of the 2011 and 2016 Road Improvement Bonds and the 2008 Sewerage District No. 4 Bonds require that certain debt covenants be followed.

CAUSE: The Police Jury may not be fully aware of the requirements of the ordinances.

EFFECT: The Police Jury is not in compliance with its bond covenants as specified in the bond ordinances.

RECOMMENDATION: We recommend that the Police Jury fully comply with all of the bond covenants set forth in the bond ordinances by establishing all restricted accounts and monitoring their balances to ensure compliance with the bond resolution.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Jury will notify the Sewerage District 4 component unit of its noncompliance matter and assist the component unit in resolving the issue. Additionally, the Police Jury will make every effort to comply with bond covenants in future periods.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 Customer Meter Deposits Payable

CONDITION: Customer meter deposits payable in the Natural Gas System Fund totaled \$819,817 at December 31, 2017; however, cash and cash equivalents only totaled \$36,185 in the Natural Gas System Fund. Additionally, the Solid Waste Fund had customer deposits payable in the amount of \$34,870, with cash and cash equivalents in the amount of \$5,326. Thus, there is insufficient cash at year-end to cover customer deposits.

RECOMMENDATION: The Police Jury should maintain separate cash accounts for the repayment of customer meter deposits.

CURRENT STATUS: Unresolved. See item 2018-001.

2017-002 Interfund Receivables and Payables

CONDITION: When a particular fund has a deficit and borrows funds from another fund, an interfund payable results in the fund that borrowed the funds and an interfund receivable results in the fund that paid out the funds. Over time, these interfund receivables and payables can grow as a result of the fund deficits. The Police Jury has made efforts to repay balances. However, the Police Jury still has a \$1.125 million interfund payable recorded in the General Fund that was borrowed from the Debt Service Fund Road Improvements Fund, that may be a violation of the resolution passing the tax.

RECOMMENDATION: The Police Jury should continue to address the repayment of interfund receivables and payables and the funding of accumulated cash deficits in the budget process. Interfund receivables and payables, as well as accumulated cash deficit balances in each fund, should be reviewed by management on a monthly basis to determine if repayment is expected in a reasonable time period. If repayment cannot be expected, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan.

CURRENT STATUS: Resolved.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

B. Compliance

2017-003 Violation of State Budget Law

CONDITION: The Parish Wide Drainage Fund's actual expenditures exceeded budgeted expenditures by 21%, and the Detention Center Fund's actual expenditures exceeded budgeted expenditures by 10%. This is a repeat finding from the prior year.

RECOMMENDATION: The Police Jury should amend the budgets in accordance with the statute.

CURRENT STATUS: Unresolved. See item 2018-002.

2017-004 Fund Deficit

CONDITION: As of December 31, 2017, the Police Jury had a net fund deficit in the Detention Center Fund in the amount of \$412,414. This is a repeat finding from the prior period.

RECOMMENDATION: During the budget process, the Police Jury should review this fund and identify a plan for elimination of the fund deficit.

CURRENT STATUS: Resolved.

2017-005 Noncompliance with Bond Covenants

CONDITION: The Police Jury is not in full compliance with its bond resolution requiring the establishment and funding of certain accounts for the 2011 and 2016 Road Improvement Bonds. These bond covenants require that sinking fund transfers be made on or before the 20<sup>th</sup> of each month. These deposits were not made timely by the Police Jury. This is a repeat finding from the prior period.

The Police Jury is not in full compliance with its bond resolution requiring the Sewerage District No. 4 to establish and maintain such rates and collect such fees sufficient to pay the reasonable and necessary expenses of operating and maintaining the system each year. The Sewerage District No. 4 incurred a change in net position of (\$22,318) for the year ended December 31, 2017, indicating its fees are insufficient to cover operations and maintenance.

POINTE COUPEE PARISH POLICE JURY  
New Roads, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2018

RECOMMENDATION: We recommend that the Police Jury fully comply with all of the bond covenants set forth in the bond ordinances by establishing all restricted accounts and monitoring their balances to ensure compliance with the bond resolution.

CURRENT STATUS: Unresolved. See item 2018-003.

**POINT COUPEE PARISH POLICE JURY**

New Roads, Louisiana

**SCHEDULE OF SUPPLEMENTARY INFORMATION  
UTILITY CUSTOMERS**

December 31, 2018

(Without Audit)

Records maintained by the Pointe Coupee Parish Police Jury indicated the number of residential and commercial users for both natural gas, and sewer systems at December 31, 2018 were as follows:

	<u>Natural Gas System</u>	
Residential	3,754	
Commercial	157	
<u>Sewer:</u>	<u>Legonnier</u>	<u>Mandela</u>
Residential	32	38

At December 31, the Police Jury charges residential and commercial gas system users a \$10.00 base rate. Commercial and residential gas user charges, for each thousand BTUs of gas used, vary by month based on the current price of natural gas. Rates charged to sewer system users varies depending upon which system the user was connected to. All users (commercial and residential) of Mandela and Legonnier, and Sewer District 3A were charged \$25.00 and \$15.00, respectively as a base fee.

At December 31, 2018, the aging of accounts receivable for the natural gas and sewer systems, was as follows:

	<u>Natural Gas System</u>	<u>Legonnier Sewer</u>
Current	\$ 634,914	\$ 1,105
31-60 days	44,864	325
Over 60 days	59,553	1,430
Allowance	(59,553)	(1,430)
	<u>\$ 679,778</u>	<u>\$ 1,430</u>

## POINTE COUPEE PARISH POLICE JURY

New Roads, Louisiana

### SCHEDULE OF INSURANCE IN FORCE

December 31, 2018

(Without Audit)

Issuer	Kind of Insurance	Property Covered/Address	Insurance	Expiration Date	
United Fire Group	Commercial property	Listed property	16,765,900	June 8, 2019	
Landmark American Insurance Co.	Commercial property	Multi-Use and Detention Center	8,855,000	June 8, 2019	
LA Parish Risk Management Agency	Worker's Compensation	Eligible employees	1,000,000	January 1, 2019	
LWCC	Worker's Compensation	Mosquito Abatement	500,000	June 9, 2019	
Gemini Insurance Co.	Commercial General Liability	General Aggregate	2,000,000	April 15, 2019	
		Products and completed ops	2,000,000	April 15, 2019	
		Personal and Property damage	2,000,000	April 15, 2019	
		Personal and Advertising injury	2,000,000	April 15, 2019	
		Rented property damage	1,000,000	April 15, 2019	
		Sexual abuse	1,000,000	April 15, 2019	
		Failure to supply	100,000	April 15, 2019	
		Auto Liability and Public Official Liability	2,000,000	April 15, 2019	
		Crime	Employee theft	250,000	September 28, 2019
			Forgery or alteration	250,000	September 28, 2019
			Inside the premises - theft of money & securities	25,000	September 28, 2019
			Inside the premises - robbery or safe burglary	25,000	September 28, 2019
			Outside the premises	25,000	September 28, 2019
	Computer fraud	250,000	September 28, 2019		
	Money orders & counterfeit paper currency	25,000	September 28, 2019		
Scottsdale Travelers	Commercial Property	Scott Recreation Park	365,002	June 8, 2019	
	Crime	Employee theft	20,000	February 1, 2019	
Zurich	Public Officials Bond	Mary Roubique		January 1, 2019	
		Rebecca Mayeux		October 1, 2019	
		Geraldine Martin		October 1, 2019	
Hartford	Boiler & Machinery	Courthouse		September 8, 2019	

**POINTE COUPEE PARISH  
SEWERAGE DISTRICT NO. 1**

December 31, 2018  
(Without Audit)

**BOARD MEMBERS**

Date Appointed: January 10, 2017  
Term Expires: December 31, 2018

Joetta Hunter-Joseph  
800 Morningside St.  
New Roads, LA 70760

John Jeanpierre  
8645 St. Ann St.  
New Roads, LA 70760

Jacqueline Pearson  
1305 New Roads St.  
New Roads, LA 70760

Joyce Scott  
P.O. Box 343  
New Roads, LA 70760

Roger Dixon  
302 Morningside St.  
New Roads, LA 70760

Records maintained by the District indicated the number of active residential and commercial users for the District at December 31, 2018 were as follows:

	<u>Users</u>
Residential	141
Commercial	1

**POINTE COUPEE PARISH  
SEWERAGE DISTRICT NO. 3A**

December 31, 2018  
(Without Audit)

**BOARD MEMBERS**

Date Appointed: January 10, 2017  
Term Expires: December 31, 2018

Landry Jeanpierre  
8961 Delta Place Rd.  
New Roads, LA 70760

Henry Ell  
9274 Delta Place Rd.  
New Roads, LA 70760

Geraldine Simmons  
P.O. Box 475  
New Roads, LA 70760

Records maintained by the District indicated the number of active residential and commercial users for the District at December 31, 2018 were as follows:

	<u>Users</u>
Residential	58

**POINTE COUPEE PARISH  
SEWERAGE DISTRICT NO. 4**

December 31, 2018  
(Without Audit)

**BOARD MEMBERS**

Connie Carrier  
9350 False River Rd.  
New Roads, LA 70760  
Appointed: January 23, 2007

Janet Vosburg  
9431 False River Rd.  
New Roads, LA 70760  
Appointed: January 9, 2018

Johnny Ewing  
P.O. Box 429  
New Roads, LA 70760  
January 14, 2014

Bernard David  
False River Rd.  
New Roads, LA 70760  
June 11, 2017

Records maintained by the District indicated the number of active residential and commercial users for the District at December 31, 2018 were as follows:

	<u>Users</u>
Residential	237
Commercial	12

# POINTE COUPEE

PARISH GOVERNMENT

P.O. Box 290  
160 East Main Street  
New Roads, Louisiana 70760  
PHONE: 225-638-9556 FAX: 225-638-5555

**MAJOR THIBAUT**  
*Parish President*

## MANAGEMENT'S CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2018

### **2018-001 – Customer Deposits Payable**

Management's response and corrective actions are as follows:

Management of the Police Jury is aware of the cash flow challenges it has faced in the current and previous fiscal years. The Police Jury has and will continue to make significant budgetary cuts during 2019 to address these matters.

Expected implementation date: July 1, 2019

Contact person: Tonilyn R. Guidry, Director of Finance

### **2018-002 – Violation of State Budget Law**

Management's response and corrective action plans are as follows:

Management of the Police Jury monitors its budget continuously during each fiscal year to properly manage finances, along with maintaining compliance with Louisiana budget laws. The Police Jury will continue to monitor budgets of all funds on an ongoing basis and amend its budget in accordance with state statutes to ensure fiscal responsibility and compliance.

Expected implementation date: July 1, 2019

Contact person: Tonilyn R. Guidry, Director of Finance

### **2018-003 – Noncompliance with Bond Covenants**

Management's response and corrective action plans are as follows:

The Police Jury will notify the Sewerage District 4 component unit of its noncompliance matter and assist the component unit in resolving the issue. Additionally, the Police Jury will make every effort to comply with bond covenants in future periods.

Expected implementation date: July 1, 2019

Contact person: Tonilyn R. Guidry, Director of Finance

**POINTE COUPEE PARISH  
POLICE JURY  
New Roads, Louisiana**

**Agreed-Upon Procedures Report**

Year Ended December 31, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Major Thibaut, Parish President and  
the members of the Pointe Coupee Parish Council,  
Pointe Coupee Parish Government,  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Pointe Coupee Parish Police Jury (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. Management of the entity is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - 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.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

#### ***Board or Finance Committee***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

- 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.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) 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.

#### ***Bank Reconciliations***

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- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

## *Collections*

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4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - 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.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
  - a) We observed that receipts are sequentially pre-numbered.
  - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) We traced the deposit slip total to the actual deposit per the bank statement.
  - d) We observed 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) We traced the actual deposit per the bank statement to the general ledger.

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

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
  - a) We observed that the disbursement matched the related original invoice/billing statement.
  - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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11. We obtained 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. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) We observed 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.
  - b) We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 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](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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15. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) We observed 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) We observed 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), We observed that the original contract terms provided for such an amendment.
  - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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**(The following procedures were not performed since there were no exceptions in the prior year.)**

16. Obtain a listing of employees/elected officials 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:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period was 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' cumulate 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 had been paid, and associated forms had been filed, by required deadlines.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
  - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) We observed if 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.

### ***Debt Service***

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21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

### ***Other***

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

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

**Findings:**

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In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Board or Finance Committee, travel and travel-related reimbursements, and payroll and personnel.

No exceptions were found as a result of applying the procedures listed above except:

**Ethics:**

The entity did not have documentation demonstrating each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Debt Service:**

The entity did not maintain debt reserves as required by covenants.

**Management's Response:**

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Management of the Pointe Coupee Parish Police Jury concurs with the exceptions and are working to address the deficiencies identified.

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Baton Rouge  
June 11, 2019