

SABINE PARISH POLICE JURY
Many, Louisiana

ANNUAL FINANCIAL REPORT

December 31, 2018

**SABINE PARISH POLICE JURY
Many, Louisiana**

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**Sabine Parish Police Jury
Many, Louisiana**

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Independent Auditor's Report



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, Louisiana 71052

Phone: 318-872-3007

Fax: 318-872-1357

INDEPENDENT AUDITOR'S REPORT

To the Jury Members of the
Sabine Parish Police Jury

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data

for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units that would have been reported has not been determined.

Adverse Opinion on Aggregate Discretely Presented Component Units – The Reporting Entity

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 Sabine Parish Police Jury, the reporting entity, 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 – The Primary Government

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sabine Parish Police Jury, the primary government, as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information Part I

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, listed as required supplementary information part I, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 management's discussion and analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Part II and Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Sabine Parish Police Jury's primary government. The required supplementary information – part II, as listed in the table of contents, and the other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The required supplementary information—part II and the other supplementary information, as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 required supplementary information – part II and the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we have also issued our reports dated June 28, 2019, on our consideration of the Sabine Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, and compliance for each major program and on internal control over compliance. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance, the results of that testing, and not to provide an opinion on internal control over financial reporting, compliance, compliance for each major program, or internal control over compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and the Uniform Guidance in considering the Sabine Parish Police Jury's internal control over financial reporting and compliance, and compliance for each major program and on internal control over compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, we have issued a report dated June 28, 2019, on the results of those procedures, in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Governmental Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC

June 28, 2019
Mansfield, Louisiana

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

OFFICE OF
SABINE PARISH POLICE JURY

400 CAPITOL ST. • ROOM 101 • MANY, LOUISIANA 71449
(318) 256-5637 • FAX (318) 256-9652 • Road Dept. (318) 256-6231

DISTRICT ONE
Willes Funderburk
708 HWY 118
Florien, LA 71429
Res. (318) 586-7267
Cell (318) 508-0223

DISTRICT TWO
Mike McCormic
414 Skylark Ln.
Many, LA 71449
Res. (318) 590-0517
Cell (832) 316-5131

DISTRICT THREE
Charlie Brown
3860 Natchitoches Hwy.
Many, LA 71449
Res. (318) 256-9379
Cell (318) 508-0280

DISTRICT FOUR
William E. Ruffin
P.O. Box 534
Many, LA 71449
(318) 256-3135

DISTRICT FIVE
"Ronny" Bison
606 Wedgeworth Road
Many, LA 71449
Res. (318) 256-2624
Cell (318) 471-3823

DISTRICT SIX
Eric Garcie
545 Garcie Road
Zwolle, LA 71486
Res. (318) 645-2514
Cell (318) 315-0705

DISTRICT SEVEN
Ricky "K-Wall" Sepulvado
P.O. Box 242
Converse, LA 71419
Res. (318) 567-3834
Cell (318) 947-2012

DISTRICT EIGHT
Kenneth M. Ebarb
P.O. Box 3
Zwolle, LA 71486
Res. (318) 645-9561
Cell (318) 581-0278

DISTRICT NINE
"Randy" Byrd
920 Sawmill Road
Belmont, LA 71406
Res. (318) 256-2107
Cell (318) 471-7853

Management's Discussion and Analysis

This section of the Sabine Parish Police Jury's annual financial report offers readers a narrative overview and analysis of the financial performance of the Sabine Parish Police Jury (Police Jury) for the fiscal year ended on December 31, 2018. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their No. 34 Basic Financial Statements – and Management's Discussion and Analysis- for State and Local Governments issued June 1999. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Police Jury's financial statements, which follow this section.

Financial Highlights

Key financial highlights for the 2018 fiscal year include the following:

- The Sabine Parish Police Jury continues to be very liquid with cash and cash equivalents totaling \$14,839,566 as of December 31, 2018 compared to \$13,528,405 at the end of the prior year,
- The Police Jury's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,997,849 (net position). Of this amount, \$15,941,527 represents the net investment in capital assets and \$147,666 is prepaid expenses. \$10,217,135 is restricted to use for specific purposes by the related tax propositions, laws or regulations of other governments, or grantor agreements and \$3,691,521 (unrestricted net position) may be used to meet the Police Jury's ongoing obligations to citizens and creditors at the discretion of the jurors.
- The total net position of the Police Jury increased by \$1,676,835 during the year ended December 31, 2018.

- The Police Jury's cash and cash equivalents increased by \$1,311,161 during the current year. Revenue receivables and amounts due from other governments increased \$252,729.
- Net capital assets increased \$488,482 during the current year
- During the year ended December 31, 2018, the Police Jury adopted GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension". This change in accounting principle resulted in an increase of \$2,178,397 in Other Postemployment Benefit Obligation and an equal reduction in Unrestricted Net Position compared to amounts originally reported for the fiscal year ended December 31, 2017.
- As of the close of the fiscal year, the Police Jury's governmental funds reported a combined ending fund balance of \$18,271,452 an increase of \$1,697,984 (10.25%) in comparison with the prior fiscal year. Of this amount, \$8,163,699 is unassigned and available for spending within the Police Jury's designation and fiscal policies.
- At the end of the fiscal year, unassigned fund balance of the General Fund was \$8,163,699 or 342.97% of total General Fund expenditures for 2018.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Police Jury's basic financial statements. The Police Jury's financial statements are comprised of three components: (1) government-wide financial statements, (2) financial statements of individual funds, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Police Jury's finances in a manner similar to a private-sector business.

The Statement of Net Position presents all the Police Jury's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference between all elements in a statement of financial position and is displayed in three components: net investment in capital assets, restricted, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Police Jury is improving or deteriorating.

The Statement of Activities presents information showing how the Police Jury's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, compensated

absences). The focus of the Statement of Activities is on both the gross and net cost of various activities which are provided by the Police Jury's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services.

The Statement of Net Position and the Statement of Activities distinguish functions of the Police Jury that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Police Jury's governmental activities include general government, public safety, roads and bridges, sanitation, culture and recreation, health and welfare, and economic development. The Police Jury did not report any business-type activities for the current fiscal year. The government-wide financial statements can be found on pages 20 and 21 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentations more familiar. The Police Jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Police Jury are categorized as governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Police Jury's near-term financing requirements.

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

The Police Jury maintains 20 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Transportation Fund, Sales Tax Fund, Road District 1 Fund, Road District 16 Fund, Health Unit Fund, and the WIA Fund, all of which are considered to be major funds. Data for the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor

governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 20 through 27.

The Police Jury adopts an annual appropriated budget for the General Fund and the special revenue funds. Budgetary comparison schedules for the General Fund and the special revenue funds considered to be major funds have been provided to demonstrate compliance with these budgets.

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 can be found on pages 29 through 64.

Other Information – In addition to the basic financial statements and the accompanying notes, this report also presents certain supplementary information that is required to be reported including budgetary comparison schedules for major governmental funds, a schedule of employer's share of net pension liability, and a schedule of employer's pension contributions.

The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of Government-Wide Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Police Jury, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,997,849 as of December 31, 2018, which is an increase of \$1,676,835 from December 31, 2017.

Net position totaling \$3,691,521 (12.31%) is unrestricted and may be used to meet the Police Jury's ongoing obligations to citizens and creditors.

\$10,364,801 of net position is restricted. Prepaid insurance totaling \$147,666 is recorded as nonexpendable since the vendor has been paid in the current year for services that will be delivered in the next fiscal year. \$10,217,135 is restricted by the related tax proposition, grantor agreement, or laws or regulations of other governments.

Of the ending net position, \$15,941,527 (53.14%) represents the Police Jury's investment in capital assets (e.g., land, streets, rights-of-way, bridges, buildings, machinery, equipment, and furniture and fixtures) less any related debt used to acquire those assets that is still outstanding. The Police Jury uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Police Jury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position
December 31, 2018 and 2017

	Governmental Activities	
	2018	2017
Current and other assets	\$ 19,580,898	\$ 17,728,608
Capital assets, net	16,236,177	15,747,695
Total assets	<u>35,817,075</u>	<u>33,476,303</u>
Deferred outflows of resources	<u>425,706</u>	<u>688,148</u>
Current and other liabilities	947,872	795,465
Long-term liabilities	4,740,229	4,944,175
Total liabilities	<u>5,688,101</u>	<u>5,739,640</u>
Deferred inflows of resources	<u>556,831</u>	<u>103,797</u>
Net position:		
Net investment in capital assets	15,941,527	15,673,018
Restricted	10,364,801	8,746,085
Unrestricted	3,691,521	3,901,911
Total net position	<u>\$ 29,997,849</u>	<u>\$ 28,321,014</u>

The Police Jury's net position increased by \$1,676,835 during the fiscal year ended December 31, 2018. The following table provides a summary of the Police Jury's operations for the years ended December 31, 2018 and December 31, 2017.

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

	Governmental Activities	
	2018	2017
	<u> </u>	<u> </u>
Program Revenues:		
Charges for services	\$ 528,057	\$ 469,654
Operating grants and contributions	3,324,812	3,143,039
Capital grants and contributions	-	2,170,750
General Revenues:		
Ad valorem taxes	3,452,947	3,400,896
Sales taxes	4,012,703	3,560,115
Severance taxes	1,768,113	1,277,828
State public works grants	354,677	124,558
State fire rebate	198,211	132,557
State revenue sharing	111,565	114,145
Investment earnings	251,862	78,005
Other general revenues	79,454	120,572
	<u> </u>	<u> </u>
Total Revenues	<u>14,082,401</u>	<u>14,592,119</u>
Expenses:		
General government	2,102,475	2,294,087
Public safety	596,586	496,656
Roads	6,062,399	5,960,390
Sanitation	792,321	763,642
Culture and recreation	-	-
Health and welfare	161,525	191,401
Economic development	2,681,240	2,088,018
Interest on long-term debt	9,020	-
	<u> </u>	<u> </u>
Total Expenses	<u>12,405,566</u>	<u>11,794,194</u>
Increase in net assets	1,676,835	2,797,925
Net position, beginning of year - (restated)	<u>28,321,014</u>	<u>25,523,089</u>
Net position, end of year	<u>\$ 29,997,849</u>	<u>\$ 28,321,014</u>

Program revenues totaled \$3,852,869 in 2018, 27.36% of total revenues. \$2,370,474 was provided through economic development grants reported in the Workforce Investment Act (WIA) Fund. The Police Jury received \$331,720 through a Community Development Block Grant for road improvements. \$84,807 of disaster recovery funds received from FEMA was recognized as revenue during the year ended December 31, 2018. Charges for services resulted in revenues totaling \$528,057.

General revenues, totaling \$10,229,532, comprise the largest portion of revenues received by the Police Jury (72.64%) during 2018. Ad valorem taxes of \$3,452,947 represent 24.52% of the total revenues received by the Police Jury during 2018 while sales taxes of \$4,012,703 represent 28.49% of that total. Severance taxes of \$1,768,113 accounted for 12.56% of the total revenue for 2018.

The Police Jury expended \$12,405,566 during 2018. The largest expenses were for:

- Roads - \$6,062,399 – 48.86%
- Economic Development - \$2,681,240 – 21.61%
- General Government - \$2,102,475 – 16.95%
- Sanitation - \$792,321 – 6.39%
- Public Safety - \$596,586 – 4.81%

\$2,370,474 was expended for economic development through the Workforce Investment Act Program which passes through the Sabine Parish Police Jury. The Coordinating and Development Corporation is the administrative entity for this program with the funds being disbursed within the ten parishes comprising the Seventh Planning District.

Financial Analysis of the Sabine Parish Police Jury's Funds

Governmental Funds

As noted earlier, the Police Jury uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The focus of the Police Jury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Police Jury's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Police Jury's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Sabine Parish Police Jury's governmental funds reported a combined ending fund balance of \$18,271,452, an increase of \$1,697,984 (10.25%) in comparison with the prior fiscal year. Of the fund balance total, \$8,163,699 (44.68%) was unassigned; \$5,503,138 (30.12%) was restricted for roads; \$2,125,421 (11.63%) was restricted for health and welfare; and \$2,269,113 (12.42%) was restricted for sanitation.

The Witness Fees Fund had a deficit fund balance of \$58,412 and the Road District 18 Fund had a deficit fund balance of \$56,272 at December 31, 2018.

The General Fund is the chief operating fund of the Police Jury. At the end of the current fiscal year it had a fund balance of \$8,232,957, an increase of \$349,582 compared to the prior year. The fund balance of the General Fund is unassigned and is available for spending at the Police Jury's discretion.

General Fund Budgetary Highlights

The budget policy of the Sabine Parish Police Jury complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original 2018 budget for the General Fund of the Sabine Parish Police Jury was adopted on December 20, 2017. During the year, the Jury revised the General Fund budget to reflect changes in revenues and/or expenditures.

During the year ended December 31, 2018, actual revenues exceeded budgeted revenues by \$270,472, actual expenditures were \$558,959 less than the budgeted amounts, and transfers to other funds were \$59,200 less than the budgeted amount.

Significant variances between budget and actual amounts are as follows:

Revenues:

- Ad valorem tax revenues were \$80,515 more than budgeted
- Severance tax revenues were \$133,613 more than budgeted.

Expenditures:

- Capital outlay expenditures were \$122,200 more than budgeted.
- Court cost expenditures were \$73,496 less than budgeted.
- District attorney office expenditures were \$72,659 less than budgeted.
- Jail food, clothing and supplies expenditures were \$50,985 less than budgeted.

Capital Assets and Debt Administration

Capital assets: The Police Jury's investment in capital assets as of December 31, 2018 was \$16,236,177 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture and fixtures, and infrastructure. The table below shows the value at the end of the fiscal year.

Capital Assets
December 31, 2018 and 2017
(Net of Depreciation)

	<u>2018</u>	<u>2017</u>
Land	\$ 690,926	\$ 688,926
Buildings and improvements	2,291,379	2,250,562
Machinery and equipment	3,194,305	2,948,738
Furniture and fixtures	10,704	6,229
Infrastructure	10,048,863	9,853,240
Total net assets	<u>\$ 16,236,177</u>	<u>\$ 15,747,695</u>

Major additions to capital assets during the fiscal year included the following:

- Case road surface roller - \$82,793
- Case motor grader - \$182,879
- Western Star dump truck - \$99,444
- Kenworth dump truck - \$73,963
- Chevrolet pickup truck - \$29,993
- RAM 3500 flatbed truck - \$31,822
- Kubota tractor - \$24,675
- Belly dump trailer - \$29,650
- Elevator renovation (Court house) - \$116,301
- Etheridge Lane renovation - \$16,622
- Martinez Road renovation - \$99,419
- Dicks Park Road renovation - \$21,547
- Center Road renovation - \$12,928
- Wilbur Road renovation - \$23,700
- Lonnie Road renovation - \$24,623
- Gibson Road renovation - \$73,870
- Stallworth Road renovation - \$54,171
- Gasaway Road renovation - \$25,855
- Yellow Pine Road renovation - \$44,323

Debt Administration: At the end of the fiscal year, the Police Jury had outstanding long-term debt of \$4,740,229. Of this amount, \$199,158 is comprised of capital lease agreements, \$225,268 in compensated absences, and \$4,315,803 relating to the recognition of the estimated liabilities for other post-employment benefits and net pension liabilities.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for fiscal year 2019 was presented to the Police Jury:

- Ad valorem tax revenue is expected to increase.
- Sales tax revenue is expected to increase.
- Other revenues are expected to be consistent with the prior year.
- Salaries are expected to increase due to salary increases due to employees.
- Employee health insurance costs are expected to increase.
- Capital outlay expenses are expected to increase.
- Road maintenance costs are expected to increase due to overlaying projects.
- Other expenditures are expected to be consistent with the prior year.

Requests for Information

This financial report is designed to provide our citizens, customers, investors and creditors a general overview of the Police Jury's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Secretary Treasurer, Sabine Parish Police Jury, 400 South Capitol Street, Room 101, Many, Louisiana, 71449.

Basic Financial Statements

Government-Wide Financial Statements

**Sabine Parish Police Jury
Many, Louisiana**

**Statement of Net Position
December 31, 2018**

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 14,839,566
Revenue receivables	4,365,786
Prepaid expenses	147,666
Due from other governments	74,081
Net pension asset	153,799
Capital assets (net)	16,236,177
Total Assets	<u>\$ 35,817,075</u>
Deferred Outflows of Resources	<u>\$ 425,706</u>
Liabilities	
Accounts payable	\$ 571,611
Master bank overdrafts	59,192
Unearned federal disaster revenue	221,577
Long-term liabilities, due within one year:	
Capital leases	95,492
Due in more than one year:	
Capital leases	199,158
Compensated absences	225,268
Other postemployment benefit obligation	4,315,803
Total Liabilities	<u>\$ 5,688,101</u>
Deferred Inflows of Resources	<u>\$ 556,831</u>
Net Position	
Net investment in capital assets	\$ 15,941,527
Restricted, nonexpendable	147,666
Restricted for	
Roads	5,717,446
Health & welfare	2,141,300
Economic development	89,276
Sanitation	2,269,113
Unrestricted	3,691,521
Total Net Position	<u>\$ 29,997,849</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Statement of Activities
For the Year Ended December 31, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Revenue and Changes in Net Position
					Primary Government
					Governmental Activities
Primary Government:					
Governmental Activities					
General government:					
Legislative	\$ 247,443	\$ -	\$ -	\$ -	\$ (247,443)
Judicial	711,049	247,230	-	-	(463,819)
Elections	32,823	-	-	-	(32,823)
Finance and administration	543,723	-	116,545	-	(427,178)
Other	567,437	9,415	-	-	(558,022)
Public safety	596,586	133,771	78,102	-	(384,713)
Roads and bridges	6,062,399	-	759,691	-	(5,302,708)
Sanitation	792,321	137,641	-	-	(654,680)
Health and welfare	161,525	-	-	-	(161,525)
Economic development	2,681,240	-	2,370,474	-	(310,766)
Interest on long-term debt	9,020	-	-	-	(9,020)
Total Governmental Activities	<u>\$ 12,405,566</u>	<u>\$ 528,057</u>	<u>\$ 3,324,812</u>	<u>\$ -</u>	<u>(8,552,697)</u>
General Revenues:					
Ad valorem taxes					3,452,947
Sales taxes					4,012,703
Severance taxes					1,768,113
Excise taxes					12,497
State public works grants					354,677
State fire rebate					198,211
Investment earnings					251,862
State revenue sharing					111,565
Rents and royalties					4,209
Other miscellaneous					62,748
Total General Revenues and Transfers					<u>10,229,532</u>
Changes in Net Position					1,676,835
Net Position - Beginning, restated					28,321,014
Net Position - Ending					<u>\$ 29,997,849</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

Fund Financial Statements

**Sabine Parish Police Jury
Many, Louisiana**

**Balance Sheet -Governmental Funds
December 31, 2018**

	Major Funds						Other Governmental Funds	Total Governmental Funds	
	General Fund	Transportation Fund	Sales Tax Fund	Road District 1	Road District 16	Health Unit			WIA Fund
Assets									
Cash	\$ 6,914,465	\$ 924,381	\$ 1,932,463	\$ 634,986	\$ 137,797	\$ 1,953,961	\$ -	\$ 2,341,513	\$ 14,839,566
Revenue receivables	1,267,559	-	342,266	479,947	117,273	194,274	-	1,964,467	4,365,786
Prepaid expenses	69,258	70,883	1,657	346	289	1,718	-	3,515	147,666
Due from other governments	5,769	59,029	9,283	-	-	-	-	-	74,081
Due from other funds	205,807	-	-	-	-	-	-	-	205,807
Total Assets	\$ 8,462,858	\$ 1,054,293	\$ 2,285,669	\$ 1,115,279	\$ 255,359	\$ 2,149,953	\$ -	\$ 4,309,495	\$ 19,632,906
Liabilities									
Accounts payable	\$ 156,839	\$ 56,114	\$ 14,899	\$ 38,007	\$ 42,540	\$ 6,917	\$ -	\$ 256,295	\$ 571,611
Due to other funds	-	-	-	-	-	-	-	205,807	205,807
Master bank overdrafts	-	-	-	-	-	-	-	59,192	59,192
Total Liabilities	\$ 156,839	\$ 56,114	\$ 14,899	\$ 38,007	\$ 42,540	\$ 6,917	\$ -	\$ 521,294	\$ 836,610
Deferred Inflows of Resources									
Unearned federal grants	\$ -	\$ -	\$ -	\$ -	\$ 182,173	\$ -	\$ -	\$ 39,404	\$ 221,577
Unavailable property taxes	73,062	-	-	110,348	10,135	15,897	-	93,825	303,267
Total Deferred Inflows of Resources	\$ 73,062	\$ -	\$ -	\$ 110,348	\$ 192,308	\$ 15,897	\$ -	\$ 133,229	\$ 524,844
Fund Balances									
Nonspendable	\$ 69,258	\$ 70,883	\$ 1,657	\$ 346	\$ 289	\$ 1,718	\$ -	\$ 3,515	\$ 147,666
Restricted for:									
Judicial	-	-	-	-	-	-	-	21,868	21,868
Roads	-	927,296	-	966,578	20,222	-	-	3,589,042	5,503,138
Sanitation	-	-	2,269,113	-	-	-	-	-	2,269,113
Health and welfare	-	-	-	-	-	2,125,421	-	-	2,125,421
Witness and juror fees	-	-	-	-	-	-	-	(48,729)	(48,729)
Economic development	-	-	-	-	-	-	-	89,276	89,276
Unassigned	8,163,699	-	-	-	-	-	-	-	8,163,699
Total Fund Balances	\$ 8,232,957	\$ 998,179	\$ 2,270,770	\$ 966,924	\$ 20,511	\$ 2,127,139	\$ -	\$ 3,654,972	\$ 18,271,452
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,462,858	\$ 1,054,293	\$ 2,285,669	\$ 1,115,279	\$ 255,359	\$ 2,149,953	\$ -	\$ 4,309,495	\$ 19,632,906

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2018**

Total Fund Balance, Governmental Funds	\$	18,271,452
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement but are reported in the governmental activities of the Statement of Net Position

Cost of capital assets		83,448,498
Less - accumulated depreciation		(67,212,321)

Deferred Outflows of Resources used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet

425,706

Property taxes will be collected but are not available soon enough to pay for the current year expenditures and, therefore, the underlying revenues are not currently recognized in the governmental funds.

303,267

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

Capital leases		(294,650)
Compensated absences		(225,268)
Other post employment benefit obligation		(4,315,803)
Net pension liability		153,799

Deferred Inflows of Resources are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet

(556,831)

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>29,997,849</u>
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The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018**

	Major Funds						Other	Total	
	General Fund	Transportation Fund	Sales Tax Fund	Road District 1	Road District 16	Health Unit	WIA Fund	Governmental Funds	Governmental Funds
REVENUES									
Taxes:									
Ad valorem	\$ 863,179	\$ -	\$ -	\$ 403,730	\$ 114,218	\$ 187,805	\$ -	\$ 1,940,423	\$ 3,509,355
Sales and use	-	-	4,012,703	-	-	-	-	-	4,012,703
Licenses and permits	143,186	-	-	-	-	-	-	-	143,186
Intergovernmental revenues:									
Federal grants	18,145	-	-	2,991	4,428	-	2,370,474	390,963	2,787,001
State funds:									
Parish transportation funds	-	343,164	-	-	-	-	-	-	343,164
Grants	420,779	-	-	-	-	-	-	-	420,779
State revenue sharing	29,233	-	-	8,510	5,663	6,360	-	61,799	111,565
Fire insurance rebate	198,211	-	-	-	-	-	-	-	198,211
Severance taxes	1,768,113	-	-	-	-	-	-	-	1,768,113
Other state funds	24,497	-	-	-	-	-	-	-	24,497
Fees, charges, and commissions	-	-	137,641	-	-	-	-	-	137,641
Fines and forfeitures	-	-	-	-	-	-	-	247,230	247,230
Investment earnings	114,509	11,633	29,464	11,703	3,370	31,149	-	50,034	251,862
Rents and royalties	4,209	-	-	-	-	-	-	-	4,209
Reimbursements	-	-	108,975	-	-	-	-	7,570	116,545
Other revenues	26,802	200	-	4,000	-	-	-	7,413	38,415
Total Revenues	\$ 3,610,863	\$ 354,997	\$ 4,288,783	\$ 430,934	\$ 127,679	\$ 225,314	\$ 2,370,474	\$ 2,705,432	\$ 14,114,476

(Continued)

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018**

	Major Funds						WIA Fund	Other Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Sales Tax Fund	Road District 1	Road District 16	Health Unit			
EXPENDITURES									
Current:									
General government:									
Legislative	\$ 223,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,900
Judicial	399,541	-	-	-	-	-	-	262,522	662,063
Elections	23,111	-	-	-	-	-	-	-	23,111
Finance and administrative	256,589	-	204,255	-	-	-	-	37,405	498,249
Other	464,771	-	-	14,366	4,175	6,647	-	68,825	558,784
Public safety	565,913	-	-	-	-	-	-	-	565,913
Roads	-	2,625,377	-	325,141	409,655	-	-	2,008,768	5,368,941
Sanitation	-	-	775,065	-	-	-	-	-	775,065
Health and welfare	13,490	-	-	-	-	133,119	-	-	146,609
Community development	-	-	-	-	-	-	-	-	-
Economic development	310,766	-	-	-	-	-	2,370,474	-	2,681,240
Capital outlay	122,200	151,396	25,149	17,986	14,932	-	-	791,907	1,123,570
Debt service:									
Principal retirement	-	-	-	-	-	-	-	62,350	62,350
Interest and other charges	-	-	-	-	-	-	-	9,020	9,020
Total Expenditures	2,380,281	2,776,773	1,004,469	357,493	428,762	139,766	2,370,474	3,240,797	12,698,815
Excess (Deficiency) of Revenues over (Under) Expenditures	1,230,582	(2,421,776)	3,284,314	73,441	(301,083)	85,548	-	(535,365)	1,415,661
OTHER FINANCING SOURCES (USES)									
Transfers in	-	3,080,000	-	35,000	199,837	-	-	413,745	3,728,582
Transfers out	(881,000)	(164,837)	(2,580,000)	-	-	-	-	(102,745)	(3,728,582)
Proceeds from issuance of debt	-	-	-	-	-	-	-	282,323	282,323
Total Other Financing Sources (Uses)	(881,000)	2,915,163	(2,580,000)	35,000	199,837	-	-	593,323	282,323
Net Change in Fund Balance	349,582	493,387	704,314	108,441	(101,246)	85,548	-	57,958	1,697,984
Fund Balances -Beginning	7,883,375	504,792	1,566,456	858,483	121,757	2,041,591	-	3,597,014	16,573,468
Fund Balances - Ending	\$ 8,232,957	\$ 998,179	\$ 2,270,770	\$ 966,924	\$ 20,511	\$ 2,127,139	\$ -	\$ 3,654,972	\$ 18,271,452

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**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**

Net Change in Fund Balances - Governmental Funds	\$ 1,697,984
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	1,123,570
Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	(635,086)
Total proceeds from the sale of capital assets is reported in governmental funds, whereas the gains and losses are reported in the statement of activities.	-
Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. 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. These timing differences are summarized below:	
Unavailable property taxes	(56,408)
Non-employer pension revenue	24,333
Pension expense (benefit)	(62,088)
Capital lease payments	62,350
Proceeds from the issuance of debt	(282,323)
Net OPEB obligation	(187,707)
Accrued compensated absences	(7,790)
Change in Net Position of Governmental Activities	\$ 1,676,835

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

Notes to the Financial Statements

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements

December 31, 2018

Introduction

The Sabine Parish Police Jury (hereinafter referred to as "Police Jury") is the governing authority for Sabine Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by nine compensated jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January, 2020.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to regulate the construction and maintenance of drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed of the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales and use taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the parish. These districts perform specialized functions, such as fire protection, water, ambulance, communications (E911) or library services.

1. Summary of Significant Accounting Policies

The Sabine Parish Police Jury's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999. The more significant accounting policies established in GAAP and used by the Sabine Parish Police Jury are discussed below.

A. Reporting Entity

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

GASB Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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

<u>Component Units</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Not included with the reporting entity:		
Sabine Parish Ambulance Service District	December 31	1 and 3
Sabine Parish Assessor	December 31	2
Sabine Parish Clerk of Court	June 30	2
Sabine Parish Communications District	June 30	1 and 3
Sabine Parish Fire Protection District North	December 31	1
Sabine Parish Library	December 31	1 and 3
Sabine Parish Waterworks District Ebarb	December 31	1
Sabine Parish Waterworks District South Toledo Bend	September 30	1
Sabine Parish Waterworks District No. 1	September 30	1

The Police Jury has chosen to issue financial statements of the primary government (Police Jury) only; therefore, none of the previously listed component units are included in the accompanying financial statements. Separate financial statements of the individual component units may be obtained by contacting the component unit.

The financial statements do not include financial data for the Police Jury's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Sabine Parish Police Jury's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Sabine Parish Police Jury and the changes in financial position in conformity with accounting principles generally accepted in the United States of America, but rather are intended to reflect only the financial statements of the primary government (Police Jury).

B. Basis of Presentation

The Police Jury's primary Government Basic Financial Statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The primary Government Basic Financial Statements consist of Government-wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information. Both the Government-wide and the Fund Financial Statements categorize activities as either governmental activities or business-type activities.

The Police Jury used funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

C. Fund Accounting

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

The following are the Police Jury's governmental funds:

General Fund – The General Fund is the primary operating fund of the Sabine Parish Police Jury. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue resources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Debt Service Funds – The debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group. The Police Jury did not utilize these funds during this year end.

Capital Projects Funds – The capital projects funds account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds. The Police Jury did not utilize these funds during this year end.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all the financial activities of the Police Jury. Individual funds are not displayed, but the statements distinguish governmental activities, which are normally supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support. The effect of most interfund activity is eliminated from these financial statements.

Information contained in these statements reflects the "economic resources" measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50 of GASB Statement No. 33, as amended by Statement No. 36.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of Police Jury activities is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The Police Jury does not allocate indirect expenses to functions in the Statement of Activities.

Program revenues included in the Statement of Activities are (1) derived directly from charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions, and (3) capital grants and contributions. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales taxes, severance taxes, excise taxes, state revenue sharing, rents and royalties, interest, and other unrestricted revenues. Program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Fund Financial Statements

The fund financial statements report financial information by major and nonmajor funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. Nonmajor funds are aggregated and presented in a single column.

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent (10%) of the corresponding total for all funds of that category or type.
- b. The Police Jury's management believes that the fund is particularly important to the financial statement users.

The Police Jury's major funds are described as follows:

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

Transportation Fund – The transportation fund is a special revenue fund used to account for the collection of the state "parish transportation" funds. This fund also receives sales taxes from the sales tax fund. Expenditures from this fund include all road salaries and benefits, insurance, equipment maintenance and repairs, fuel, and utilities.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements

December 31, 2018

1. Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Sales Tax Fund – The sales tax fund is a special revenue fund used to account for the collection of the one percent sales and use tax. The fund also reports the operations of the solid waste landfill. The sales tax revenue is also transferred to the transportation fund for the maintenance of roads and bridges in accordance with the tax proposition.

Road District Funds No 1 and 16. -- These two funds are special revenue funds used to account for the operations and maintenance of the road district's highways, streets, and bridges. Financing is primarily provided by ad valorem taxes and state revenue sharing funds.

Health Unit Fund –This fund accounts for the operations of the Health Unit. Financing is provided by ad valorem taxes, state revenue sharing and interest earnings.

Workforce Investment Act Fund (WIA) – The Workforce Investment Act (WIA) is a special revenue fund used to account for grants from the United States Department of Labor passed through the Louisiana Department of Labor. Grants are subsequently transferred to the Coordinating and Development Corporation, which administers the program under contract with the Police Jury. The WIA program provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment.

All other governmental funds are considered non-major funds.

Governmental Fund Financial Statements -- The amounts reflected in the Governmental Fund Financial Statements are accounted for using the “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. When the “current financial resources” measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Furthermore, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Police Jury's operations.

The amounts reflected in the Governmental Fund Financial Statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Police Jury considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred; however, principle and interest on general obligation long-term debt is recognized when due.

The governmental funds use the following practices in recording revenues and expenditures:

Federal and state entitlements (which include state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching requirements, in which the Parish must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Police Jury on a reimbursement basis.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements

December 31, 2018

1. Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

Sales tax revenues are recorded in the period in which the underlying exchange has occurred.

Fines, forfeitures, fees, and court costs are recognized in the period they are collected by the Sabine Parish Sheriff.

Royalties are recognized in the period the underlying exchange transaction occurs.

Interest earnings on deposits with financial institutions are recorded when credited to the Police Jury.

Those revenues susceptible to accrual are sales taxes, property taxes, franchise taxes, grants, oil and gas royalties, interest revenue and charges for services. Substantially all other revenues, including rents, fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Salaries and related benefits are recorded when employee services are provided.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased.

Substantially all other expenditures are recognized as expenditures when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sales of assets, proceeds from the sale of bonds, capitalized leases, compensation for loss of assets, and the proceeds from accrued interest on the sale of bonds are accounted for as other financing sources (uses) in the Statement of Revenues, Expenditures, and Changes in Fund Balances. These other financing sources (uses) are recognized at the time the underlying events occur.

E. Cash

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest bearing demand deposits, time deposits (certificates of deposit), and short-term, highly liquid investments with original maturities of ninety (90) days or less when purchased. Under state law, the Police Jury may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Police Jury may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements

December 31, 2018

1. Summary of Significant Accounting Policies (continued)

F. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivables for the governmental activities include ad valorem taxes, sales and use taxes, severance taxes, fees for services, and federal grant revenues. Management believes all these receivables are collectible; therefore, no allowance is recorded for uncollectible amounts.

G. Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient and as an expenditure or expense by the provider. If repayment is expected, these receivables and payables are classified as "Due from other funds" or "Due to other funds". In preparing the government-wide financial statements, interfund receivables and payables are eliminated.

H. Capital Assets

Capital assets which include property, plant, equipment, historical treasures, and infrastructure assets (consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items) are reported in the governmental activities in the government-wide financial statements. All capital assets, other than land, are depreciated using the straight-line method over their estimated useful lives, ranging from 5 to 50 years depending upon the expected durability of the particular asset. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of net position.

All purchased and constructed capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives or improve their efficiency or capacity are not capitalized.

Assets reported in the fund financial statements for governmental funds exclude capital assets. The governmental funds financial statements report the acquisition of capital assets as expenditures.

I. Prepaid expenses

Payments made to vendors for services or supplies that will benefit periods beyond December 31, 2018.

J. Sales Taxes

The Sabine Parish Police Jury levies a 1% sales and use tax approved by the voters effective August 1, 2014, for a period of ten years ending July 31, 2024. The tax, after all necessary costs for collection and administration, is to be used to establish, construct, acquire, improve, and operate a solid waste collection and disposal system for the parish, with the balance of the funds used to establish, maintain, and improve roads and bridges.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

1. Summary of Significant Accounting Policies (continued)

K. Compensated Absences

Vested or accumulated vacation leave or compensatory time earned that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of compensated absences not expected to be liquidated with expendable available financial resources are not reported in the fund financial statements. No accrued current expenditures are reported in the governmental funds, as the amounts are considered immaterial. The full liability and related costs are reported in the government-wide financial statements. The non-current portion represents a reconciling item between the fund and government-wide statements.

Employees of the police jury earn 5 to 20 days of vacation leave each year depending on their length of service and 1 day of sick leave each month. Accumulated vacation leave is capped at thirty days or 240 hours; and employees are paid for their accumulated vacation leave upon termination of employment. Sick leave may be accumulated to a maximum of 45 days; however, accumulated sick leave is forfeited upon termination of employment.

The registrar of voters and the chief deputy are employees of the State of Louisiana Department of Elections and Registration and are paid in part by the Sabine Parish Police Jury. Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, upon separation of employment, classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours.

Employees of the Eleventh Judicial District Court earn 10 days of vacation leave and 45 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate and employees cannot be paid for unused leave upon termination of employment.

L. Use of Estimates

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

M. Long-term obligations

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide financial statements. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. In the fund financial statements, governmental funds recognize principal debt payments and related interest expense in the current period as expenditures. Debt issued during the year is reported as other financing sources.

N. 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; and natural disasters. The Police Jury carries commercial insurance for the risk of loss including automobile liability, general liability, property damage, workers compensation, errors and omissions, and surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements

December 31, 2018

1. Summary of Significant Accounting Policies (continued)

O. Fund Equity

Net Position

In the government-wide financial statements equity (the difference between assets and liabilities) is classified as net position and is reported in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Police Jury is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. In the fund financial statement, governmental fund balance is presented in five possible categories:

- a. Nonspendable—resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items); or (b) legally or contractually required to be maintained intact.
- b. Restricted—resources with constraints placed on the use of resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed—resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the Jury). These amounts cannot be used for any other purpose unless government takes the same highest level action to remove or change the constraint.
- d. Assigned—resources neither restricted nor committed for which the Police Jury has a stated intended use as established by the Jury or a body or official (Parish Treasurer) to which the Police Jury has delegated the authority to assign amounts for specific purposes.
- e. Unassigned—resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The Police Jury establishes (and modifies and rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

1. Summary of Significant Accounting Policies (continued)

O. Fund Equity (continued)

The Police Jury would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

P. Pensions

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net positions of the District Attorney’s Retirement System of Louisiana and the Registrar of Voters Employees’ Retirement System and additional to/deductions from the Systems’ fiduciary net positions have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Q. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

R. Change in Accounting Principle

During the year ended December 31, 2018, the Police Jury adopted GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension.*” The statement’s objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces the requirements of State No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*” This resulted in a restatement of previously reported net position as follows:

		<u>Government-wide</u> <u>Governmental</u> <u>Activities</u>
Total Net Position, December 31, 2017, as previously reported	\$	30,499,411
Change in accounting principle:		
Net effect of implementing GASB Statement No. 75		<u>(2,178,397)</u>
Total Net Position, December 31, 2017. Restated	\$	<u><u>28,321,014</u></u>

S. Other Postemployment Benefits

The Sabine Parish Police Jury follows GASB Statement 75, “*Accounting and Financial Reported for Postemployment Benefits Other Than Pensions,*” which requires the accrual of other postemployment benefits (OPEB) for retired employees. The Police Jury has recorded a liability for other postemployment benefits (See Note 10). In the government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated to the general and administration program. In the fund financial statements, OPEB expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to OPEB payment due and payable as of the end of the year.

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

2. Ad Valorem Taxes

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

Assessment date	January 1, 2018
Levy date	June 30, 2018
Tax bills mailed	October 15, 2018
Total taxes are due	December 31, 2018
Penalties & interest added	January 31, 2019
Tax sale	May 16, 2019

A revaluation of all property is required to be completed not less than every four years. The last revaluation was completed for the roll of January 1, 2016.

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

	Assessed value	Homestead exempt	Taxable	Authorized Millage	Maximum Millage	Levied Millage	Expiration Year
General Fund	213,909,477	33,881,254	180,028,223	4.00	4.78	4.78	n/a
Road District 18	19,649,803	3,584,919	16,064,884	10.90	10.90	10.90	2028
Road District 19	12,814,169	1,929,183	10,884,986	15.51	15.51	15.51	2026
Road District 16	14,692,951	3,111,418	11,581,533	10.02	10.02	10.02	2028
Road District 9	28,279,440	5,263,273	23,016,167	10.25	10.25	10.25	2028
Road District 17	44,737,047	8,257,700	36,479,347	10.41	9.97	9.97	2028
Road District 15	24,183,018	5,682,864	18,500,154	13.02	13.02	13.02	2026
Road District 1	27,141,826	2,842,280	24,299,546	16.65	16.65	16.65	2026
Road District 4	20,808,323	1,344,739	19,463,584	12.56	13.87	13.87	2021
Road District 20	4,289,912	995,014	3,294,898	22.16	22.16	22.16	2028
Road District 11	16,469,918	865,654	15,604,264	25.64	25.64	25.64	2028
Health Unit	213,909,477	33,881,254	180,028,223	1.00	1.04	1.04	2021

The Police Jury recognized property tax revenues in accordance with Section P70, "Property Taxes" of the codification of Governmental Accounting and Financial Reporting Standards on the fund statements. Unpaid property taxes as of December 31, 2018 are recorded as a receivable. Those net property taxes receivable which were not collected within 60 days immediately following December 31, 2018, are recorded as unavailable property taxes.

3. Cash

At December 31, 2018, the Police Jury has cash and cash equivalents (book balances) totaling \$14,839,566 as follows:

Demand deposits	\$ 13,145,403
Money market deposits	1,694,063
Petty cash	100
	\$ 14,839,566

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

3. Cash (continued)

The Police Jury uses a master bank account for cash management purposes. At year-end certain individual funds have negative cash balances in the master bank. At December 31, 2018, the following funds report negative balances in the master bank account of:

Negative balances:	
Witness Fees Fund	\$ 59,192

The cash and investments of the Sabine Parish Police Jury are subject to the following risks:

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times 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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Police Jury's name.

At year end, the Police Jury had collected bank balances of \$15,021,185, which were fully protected by \$500,000 of federal depository insurance and pledged securities with a market value of \$21,547,787 held by the custodial banks in the name of the Police Jury.

4. Receivables

The following is a summary of receivables, including due from other governments, at December 31, 2018:

	General Fund	Transportation Fund	Sales tax fund	Road District 1	Road District 16	Health Unit	Other Governmental Funds	Total
Ad valorem taxes	\$ 883,131	\$ -	\$ -	\$ 477,090	\$ 115,391	\$ 192,147	\$ 1,934,863	\$ 3,602,622
State revenue sharing	9,778	-	-	2,857	1,882	2,127	20,658	37,302
Sales and use taxes	-	-	342,266	-	-	-	-	342,266
Beer Tax	2,629	-	-	-	-	-	-	2,629
Severance tax	356,367	-	-	-	-	-	-	356,367
State grants:								
Parish Transportation	-	59,029	-	-	-	-	-	59,029
Civil Defense	5,600	-	-	-	-	-	-	5,600
Supplemental Pay	1,000	-	-	-	-	-	-	1,000
Fees and charges	8,354	-	-	-	-	-	-	8,354
Fines and forfeitures	-	-	-	-	-	-	8,921	8,921
Other receivables	700	-	-	-	-	-	25	725
Other governments	5,769	-	9,283	-	-	-	-	15,052
	\$ 1,273,328	\$ 59,029	\$ 351,549	\$ 479,947	\$ 117,273	\$ 194,274	\$ 1,964,467	\$ 4,439,867

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

4. Receivables

The receivables as reported on the government-wide balance sheet:

Revenue Receivables	\$ 4,365,786
Due from other governments	<u>74,081</u>
Total receivables	<u><u>\$ 4,439,867</u></u>

5. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases/ reclassifications	Ending Balance
Government-wide activities				
Capital assets not being depreciated:				
Land	\$ 688,926	\$ 2,000	\$ -	\$ 690,926
Total assets not being depreciated	<u>688,926</u>	<u>2,000</u>	<u>-</u>	<u>690,926</u>
Capital assets being depreciated:				
Buildings and improvements	3,606,682	116,301	-	3,722,983
Machinery and equipment	7,117,722	602,321	-	7,720,043
Furniture and fixtures	43,127	5,888	-	49,015
Infrastructure:				
Roads	62,155,276	397,060	-	62,552,336
Bridges	7,672,142	-	(26,953)	7,645,189
Road right-of-ways	1,068,006	-	-	1,068,006
Total capital assets being depreciated	<u>81,662,957</u>	<u>1,121,570</u>	<u>(26,953)</u>	<u>82,757,572</u>
Less accumulated depreciation for:				
Buildings and improvements	1,356,120	75,484	-	1,431,604
Machinery and equipment	4,168,984	356,754	-	4,525,738
Furniture and fixtures	36,898	1,413	-	38,311
Infrastructure:				
Roads	58,950,955	88,901	-	59,039,856
Bridges	2,091,231	112,534	(26,953)	2,176,812
Total accumulated depreciation	<u>66,604,188</u>	<u>635,086</u>	<u>(26,953)</u>	<u>67,212,321</u>
Capital assets being depreciated, net	<u>15,058,769</u>			<u>15,545,251</u>
Governmental activities capital assets, net	<u><u>\$ 15,747,695</u></u>			<u><u>\$ 16,236,177</u></u>

Depreciation expense of \$635,086 for the year ended December 31, 2018, was charged to the following governmental functions:

Elections	745
Finance and administration	5,082
Other governmental	7,699
Public safety	27,778
Roads	515,537
Sanitation	17,257
Health and welfare	14,916
	<u><u>\$ 635,086</u></u>

**Sabine Parish Police Jury
Many, Louisiana**

Notes to the Financial Statements
December 31, 2018

6. Interfund Assets, Interfund Liabilities, and Operating Transfers

In the ordinary course of business, the Police Jury routinely transfers resources between its funds. Transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to spend them.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Criminal Court	General Fund	\$ 31,000
Transportation fund	Sales tax fund	2,580,000
Transportation fund	General Fund	500,000
Road District 4	General Fund	35,000
Road District 9	General Fund	35,000
LCDBG Fund	Road District 9	50,944
Road District 10	General Fund	35,000
Road District 11	General Fund	35,000
Road District 15	General Fund	35,000
LCDBG Fund	Road District 15	51,801
Road District 16	General Fund	35,000
Road District 16	Transportation	164,837
Road District 17	General Fund	35,000
Road District 18	General Fund	35,000
Road District 19	General Fund	35,000
Road District 20	General Fund	35,000
		<u>\$ 3,728,582</u>

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2018, consists of the following:

	<u>Payable to vendors</u>	<u>Payroll Liabilities</u>	<u>Total Payables</u>
Governmental Activities:			
General Fund	\$ 97,250	\$ 59,589	\$ 156,839
Transportation Fund	10,006	46,108	56,114
Sales Tax Fund	3,789	11,110	14,899
Road District 1	23,639	14,368	38,007
Road District 16	38,363	4,177	42,540
Health Unit	225	6,692	6,917
Road District 9	38,363	8,462	46,825
Road District 4	10,093	9,546	19,639
Road District 11	23,721	14,130	37,851
Road District 15	17,494	8,699	26,193
Road District 17	47,715	13,039	60,754
Road District 18	24,003	6,276	30,279
Road District 19	8,014	6,028	14,042
Road District 20	9,280	2,636	11,916
Criminal Court Fund	4,500	3,646	8,146
Witness Fees	650	-	650
	<u>\$ 356,455</u>	<u>\$ 214,506</u>	<u>\$ 571,611</u>

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

8. Deferred Inflows of Resources in Fund Financial Statements

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources(revenue) until that time. The Police Jury has only one type of item, which arises only under a modified accrual basis of accounting that qualified for reporting in this category. Accordingly, this item, unavailable property taxes, is reported only in the government funds balance sheet.

9. Pension Plans

A. Parochial Employees' Retirement System (PERS)

Plan Description. The Police Jury contributes to PERS, under Plan A, which is 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. Plan A was designated for employers out of Social Security. Sections 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

All permanent parish employees working at least 28 hours per week are eligible to participate in the System on the date of their employment. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

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

Retirement.

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

For employees hired prior to January 1, 2007:

At any age	after 30 or more years of creditable service
At age 55	after 25 years of creditable service
At age 60	after 10 years of creditable service
At age 65	after 7 years of creditable service

For employees hired after January 1, 2007:

At age 55	after 30 years of creditable service
At age 62	after 10 years of creditable service
At age 67	after 7 years of creditable service

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

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *Parochial Employees' Retirement System (PERS)* (continued)

Disability Benefits

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

Survivor's Benefits

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Cost-of-Living Increases

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

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for PERS. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

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

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of the Plan must agree that the benefits payable to the participant are not the obligations of the state or PERS, and

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Notes to the Financial Statements
December 31, 2018

9. Pension Plans *Parochial Employees' Retirement System (PERS)* (continued)

that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Employer Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2017, was 12.5%.

According to state statute, PERS also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018, was 11.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Police Jury were \$172,961, \$192,862, and \$185,198 for the years ended December 31, 2018, 2017, and 2016, respectively.

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

At December 31, 2018, the Police Jury reported a benefit of \$185,852 for its proportionate share of the Net Pension Asset. The Net Pension Liability was measured as of December 31, 2017, and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Asset was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Police Jury's proportion was .250391%, which was an increase of .010177% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$57,908 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$541.

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
Differences between expected and actual experience	\$ -	\$ 120,306
Changes of assumptions	234,573	
Net difference between projected and actual earnings on pension plan investments	-	429,372
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,694	786
Employer contributions subsequent to the measurement date	175,548	
Total	\$ 411,815	\$ 550,464

**Sabine Parish Police Jury
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**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *Parochial Employees' Retirement System (PERS)* (continued)

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

Year ended December 31	
2018	28,185
2019	(27,075)
2020	(142,892)
2021	(170,178)
	(311,960)
	(311,960)

Actuarial Assumptions

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

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Life	4 Years
Investment Rate of Return	6.75%, net of investment expense, including inflation
Projected Salary Increases	5.25% (2.75% Merit/2.5% Inflation)
Mortality Rates	RP-2000 Employee Table Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Inflation Rate	2.50%

The discount rate used to measure the total pension liability was 6.75% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Amounts reported in fiscal year ended December 31, 2017, for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The long-term expected rate decreased to 7.62% for the year ended December 31, 2017, from 7.66% for year ended December 31, 2016.

**Sabine Parish Police Jury
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**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *Parochial Employees' Retirement System (PERS)* (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of December 31, 2017 are summarized in the following table:

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

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

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

The following presents the Police Jury's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Police Jury's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1% decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Employer's proportionate share of net pension liability	\$ 916,317	\$ (185,852)	\$ (1,117,182)

**Sabine Parish Police Jury
Many, Louisiana**

Notes to the Financial Statements
December 31, 2018

9. Pension Plans *Parochial Employees' Retirement System (PERS)* (continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2017 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience. The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings. The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes in Assumptions. The changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions—Proportionate Share. Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Retirement Fund Audit Report

Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org.

B. District Attorneys' Retirement System (DARS)

Plan Description. The Police Jury contributes to the District Attorneys' Retirement System, State of Louisiana, which is a cost-sharing multiple employer defined benefit pension plan. The System was established on the first day of August, 1956, and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

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Notes to the Financial Statements

December 31, 2018

9. Pension Plans *District Attorneys' Retirement System (DARS)* (continued)

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

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

Disability Benefits

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

Sabine Parish Police Jury
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Notes to the Financial Statements
December 31, 2018

9. Pension Plans *District Attorneys' Retirement System (DARS)* (continued)

Survivor's Benefits

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Cost-of-Living Increases

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Deferred Retirement Option Plan

In lieu of receiving a service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Sabine Parish Police Jury
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Notes to the Financial Statements
December 31, 2018

9. Pension Plans *District Attorneys' Retirement System (DARS)* (continued)

Contributions. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 0.00%. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended December 31, 2018 and excluded from pension expense.

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018, was 0.00%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Police Jury were \$0.00, \$0.00, and \$399 for the years ended December 31, 2018, 2017, and 2016 respectively.

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

At December 31, 2018, the Police Jury reported a liability of \$11,788 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Police Jury's proportion was .0356631%, which was a decrease of .00085% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$2,914 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of (\$1,258)..

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
Differences between expected and actual experience	\$ 63	\$ 1,712
Changes of assumptions	7,150	777
Net difference between projected and actual earnings on pension plan investments	987	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	33
Employer contributions subsequent to the measurement date	142	-
Total	\$ 8,342	\$ 2,522

**Sabine Parish Police Jury
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**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *District Attorneys' Retirement System (DARS)* (continued)

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

Year ended December 31	
2018	19,336
2019	9,755
2020	4,183
2021	5,684
2022	11,342
	50,300

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining Service Life	6 years
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	5.50% (3.10% Merit/2.4% Inflation)
Mortality Rates	RP-2000 Combined Health with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using scale Assistance which were selected for employees, annuitant, and beneficiary mortality. RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) was selected for disable annuitants.
Cost of Living Adjustments	Only those previously granted

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.45% for the year ended June 30, 2018. The best estimates of arithmetic real rates of return

**Sabine Parish Police Jury
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**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *District Attorneys' Retirement System (DARS)* (continued)

for each major asset class based on the System's target asset allocation as of June 30, 2018, were as follows:

Asset Class	Long-term Target Asset Allocation	Rates of Return	
		Real	Nominal
Equities	61.72%	10.82%	
Fixed Income	28.95%	6.36%	
Alternatives	8.85%	10.50%	
Real Estate	0.48%	0.50%	
System Total	100.00%		6.95%
Inflation			2.50%
Expected Arithmetic Nominal Return			9.45%

The discount rate used to measure the total pension liability was 6.7550%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of net pension liability	\$ 31,737	\$ 11,788	\$ (5,184)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued District Attorneys' Retirement System of Louisiana Annual Financial Report at www.la.gov.

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Notes to the Financial Statements

December 31, 2018

9. Pension Plan (continued)

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

Plan Description. The Police Jury contributes to the Registrar of Voters Employees' Retirement System of Louisiana, which is a cost-sharing multiple-employer defined benefit pension plan. The System was established in accordance by 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. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement

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

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

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

Disability Benefits

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

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Notes to the Financial Statements

December 31, 2018

9. Pension Plans *Registrar of Voters Employees' Retirement System (ROVERS) (continued)*

Survivor's Benefits

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

Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member with ten or more years of service at age sixty, twenty or more years of service at age fifty-five, or thirty or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

Cost-of-Living Increases

Cost of living provisions for the System allows the board of trustees to provide an annual cost of living increase of 2.0% of the eligible retiree's original benefit if certain funding criteria are met. Members are eligible to receive a cost of living adjustment once they have reached the age of sixty and have been retired at least one year. Funding criteria for granting cost of living adjustments is dependent on the funded ratio.

Contributions. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 17.00%.

In accordance with state statute, the System also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2018.

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *Registrar of Voters Employees' Retirement System (ROVERS)* (continued)

The Police Jury's contractually required composite contribution rate for the year ended December 31, 2018, was 17.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Police Jury were \$2025, \$2,204, and \$2,531 for the years ended December 31, 2018, 2017, and 2016 respectively..

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

At December 31, 2018, the Police Jury reported a liability of \$20,265 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Police Jury's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Police Jury's proportion was .085854%, which was a decrease of .0011070% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Police Jury recognized pension expense of \$1,267 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(278).

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
Differences between expected and actual experience	\$ -	\$ 3,092
Changes of assumptions	3,320	305
Net difference between projected and actual earnings on pension plan investments	1,217	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	472
Differences between employer contributions and proportionate share of employer contributions	-	(34)
Employer contributions subsequent to the measurement date	1,012	-
Total	\$ 5,549	\$ 3,835

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

Year ended December 31	
2018	405
2019	187
2020	(714)
2021	182
	60

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *Registrar of Voters Employees' Retirement System (ROVERS)* (continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Life	5 Years
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	6.00%
Mortality Rates	RP-2000 Combined Healthy Mortality Table for active members, healthy annuitants and beneficiaries
	RP-2000 Disabled Lives Mortality Table for disable annuitants
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently begin 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.

During the year ended June 30, 2018, mortality assumptions were set after reviewing an experience study performed on plan data for the period from July 1, 2009, through June 30, 2014. The data was assigned credibility weightings and combined with a standard table to produce current levels of mortality. The mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The mortality tables selected were set forward or set back to approximate mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.83% for the year ended June 30, 2018. The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation were as follows:

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

9. Pension Plans *Registrar of Voters Employees' Retirement System (ROVERS)* (continued)

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2017, were as follows:

Asset Class	Target Asset Allocation	Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Domestic Equities	40.00%	7.50%	3.00%
International Equities	20.00%	8.50%	1.70%
Domestic Fixed Income	12.50%	2.50%	0.31%
International Fixed Income	10.00%	3.50%	0.35%
Alternative Investments	10.00%	6.33%	0.63%
Real Estate	7.50%	4.50%	0.34%
	<u>100.00%</u>		<u>6.33%</u>
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>8.83%</u>

The discount rate used to measure the total pension liability was 6.50%, which was a decrease of 0.25% from the discount rate used since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Police Jury's proportionate share of the Net Pension Liability using the discount rate of 6.50%, as well as what the Police Jury's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate as of June 30, 2018:

	1% decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of net pension liability	\$ 31,081	\$ 20,265	\$ 10,988

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Registrar of Voters Employees' Retirement System of Louisiana Annual Financial Report at www.la.gov.

Sabine Parish Police Jury
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Notes to the Financial Statements
December 31, 2018

10. Post Retirement Health Care and Life Insurance Benefits

Plan Description. The Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Healthcare Plan"). To be eligible to receive retirement health benefits, employees must retire with at least 25 years of service and had Parish Government Risk Management Agency medical coverage for at least five years at the time of retirement. The plan provides lifetime healthcare, life insurance and dental vision benefits for eligible retirees and surviving spouses through the Police Jury's group health insurance plan, which covers both active and retired members. A Medicare supplement plan becomes available at Medicare eligibility. The retiree does not contribute to the plan. The Retiree Healthcare Plan does not issue a publicly available financial report.

Life insurance coverage is provided to the eligible retiree at no cost to the retiree. The death benefit is \$15,000 to age 65 and reduces to \$9,000 at age 65 until age 70 when coverage reduces to \$7,000.

Employees covered by benefit terms—at December 31, 2018, the following employees were covered by the benefit terms:

Active employees	17
Active employees' dependents	17
Retired employees	4
Total employees covered by benefit terms	38

Total OPEB Liability. The Police Jury's total OPEB liability of \$4,315,803 was valued and measured as of December 31, 2018, and was determined by an actuarial valuation as of that date using GASB accounting methodology..

Actuarial Methods and Assumptions. The total OPEB liability in the December 31, 2108 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Method – Individual Entry Age Normal Cost Method—level percentage of projected salary
- Service Cost –Determined for each employee as the actuarial present value of benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
- Salary increases- 3.5%
- Discount rate – 4.10% (1.10% real rate of return plus 3.00% inflation)
- Average per capita claim cost:

Age	Medical
50	9,225
51	9,455
52	9,692
53	9,934
54	10,182
55	10,437
56	10,698
57	10,965
58	11,239
59	11,520
60	11,808
65+	5,729

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Financial Statements
December 31, 2018**

10. Post Retirement Health Care and Life Insurance Benefits (continued)

- The per capita cost for 65 and later is the annual premium for the Medicare supplement plan
- The dental/vision annual per capita cost is assume to \$406.56
- Healthcare cost trend rate – Level 5.00% for medical and level 1.00% for dental/vision
- Mortality - Life expectancies were based on the RP-2014 Total Table with Projection MP-2018.
- Turnover – Termination rates from the Parochial Employees Retirement System of Louisiana 2017 actuarial valuation report were used for this valuation. This following table is a unisex table based on years of service

Years of Service	PERSLA Termination Rates
0	25.00%
5	9.00%
10	4.00%
15	2.00%
20+	1.00%

- Retirement Rates – Rates are from the Parochial Employees Retirement System of Louisiana 2017 actuarial valuation report. The rates are unisex and age based

Age	PERSLA Retirement Rates
45	15.00%
50	15.00%
55	15.00%
60	11.00%
61	11.00%
62	11.00%
63	11.00%
64	11.00%
65	14.00%

- Participation assumption - 100% of retirees who currently have healthcare coverage will continue with the same coverage. 100% of all active employees who currently have healthcare coverage will continue with the same coverage upon retirement. For those with family coverage 100% will elect to continue with coverage including the spouse.

Changes in the Total OPEB Liability

Balance at January 1, 2018	\$ 4,128,096
Changes for the year	
Service cost	127,909
Interest cost	172,192
Total OPEB expense	300,101
Benefit payments	(112,394)
Increase in net OPEB obligation	187,707
Net OPEB liability, end of year	\$ 4,315,803

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

10. Post Retirement Health Care and Life Insurance Benefits (continued)

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:

	Changes in Discount Rate		
	1% Decrease	Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB liability	5,127,186	4,315,803	3,671,248

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

	Changes in healthcare cost trend rates		
	1% Decrease	Discount Rate	1% Increase
	4.00%	5.00%	6.00%
Total OPEB liability	3,597,796	4,315,803	5,243,632

For the year ended December 31, 2018, the Police Jury recognized OPEB expense of \$187,707. At December 31, 2018, the Police Jury did not report any deferred outflows of resources and deferred inflows of resources related to OPEB,

11. Capital Leases

The following is a summary of the long-term debt obligation transactions for the year ended December 31, 2018:

Beginning Balance	\$ 74,677
Additions	282,323
Deductions	(62,350)
Ending Balance	\$ 294,650
Due within one year	\$ 95,492
Due in more than one year	199,158
	\$ 294,650

As of December 31, 2018, annual debt service requirements for the Policy Jury’s three capital leases to maturity are as follows:

Year ending	Principal	Interest
2019	\$ 95,460	\$ 11,156
2020	60,325	8,331
2021	63,345	5,311
2022	61,897	2,179
2023	13,623	133
	\$ 294,650	\$ 27,110

Sabine Parish Police Jury
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Notes to the Financial Statements

December 31, 2018

11. Capital Leases (continued)

In accordance with Louisiana Revised Statute 39:562, the Police Jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. At December 31, 2018, the statutory limit was \$21,390,948.

12. Workforce Investment Act Program

The Sabine Parish Police Jury participates in the Workforce Investment Act Program funded through the Louisiana Department of Labor by the United States Department of Labor. The Police Jury is a member of the Seventh Planning District, which is comprised of ten (10) parishes. On August 16, 1983, the members of the Seventh Planning District, consisting of the Parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine, and Webster and the Seventh Planning District Service Delivery Area (SDA) Private Industry Council entered into an agreement. This agreement designated the president of the Sabine Parish Police Jury as the chief elected official of the SDA and the Sabine Parish Police Jury as the WIA grant recipient. This agreement names the Coordinating and Development Corporation (CDC) as the administrative entity.

The SDA is comprised of three elements:

1. Private Industry Council (PIC) - Consists of 15 members representing a cross-section of the SDA population. The PIC is responsible for providing guidance for program development and for monitoring the operations of the administrative entity.
2. Designated Chief Elected Official - This is a police jury president elected by his peers from the Seventh Planning District. His responsibilities are the same as the PIC.
3. Administrative Entity - The organization selected by the PIC to administer the program is the Coordinating and Development Corporation (CDC) located in Shreveport, Louisiana. All action by the administrative entity must be approved by the PIC and the designated chief elected official.

In August 1983, the designated chief elected official notified the Assistant Secretary of Labor, State of Louisiana, that the Coordinating and Development Corporation (CDC) was designated as the administrative entity for the SDA and that all funds and copies of correspondence should be sent to the CDC. This notification also stated that all bookkeeping and program documents would be maintained by the CDC. Further, in February, 2016, the Sabine Parish Police Jury appointed the Executive Vice President of the CDC as the contracting officer for the WIA Program to act on behalf of the Police Jury. Since that date, the contracting officer has signed all documents on behalf of the grant recipient.

The Sabine Parish Police Jury is the designated grant recipient and (1) has accepted full responsibility for funds expended under the grant, (2) has assured the Louisiana Department of Labor that all funds provided will be expended according to limitations set forth in the Workforce Investment Act, federal and state regulations, and the approved job training plan, and (3) that it will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor. Funds are provided by the Louisiana Department of Labor through a letter of credit arrangement into a bank account in the name of the CDC which operates the day-to-day activities of the program. This arrangement was authorized in September 1983, by the designated chief elected official.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements
December 31, 2018

13. Compensated Absences

Compensated absences represent accumulated and vested employee leave benefits computed in accordance with GASB Codification Section C60. For the portion of the salaries paid by the Sabine Parish Police Jury, the cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as current-year expenditure in the governmental funds when leave is actually taken. As of December 31, 2018, the Police Jury's compensated absences payable amounted to 13,743 hours with a resulting liability of \$225,268.

Changes in compensated absences during 2018 are as follows:

Beginning balance	\$ 217,478
Additions	66,677
Deductions	<u>(58,887)</u>
Available leave	<u>\$ 225,268</u>

14. Commitments and Contingencies

Grant Audit

The Police Jury receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the agreements. In the opinion of management, such disallowances, if any, would not be significant.

Lawsuits

During 2016, the Police Jury was involved in one lawsuit in which a judgement was rendered against the Police Jury. No funds have been appropriated as per La. R.S. 13:5109 by the Police Jury and legal counsel for the Police Jury has opined that no potential liability should be accrued.

15. Related Party Transactions

Procedures, observations, and inquiries did not disclose any related party transactions for the fiscal year ended December 31, 2018.

16. On-Behalf Payments

For 2018, the Parish received non-employer cash contributions to be used for retirement plan contributions on-behalf of the Parish's employees as follows:

Plan	Amount
Parochial Employees' Retirement System of Louisiana	\$ 17,744
Register of Voters Employees' Retirement System	\$ 2,460
District Attorneys' Retirement System	\$ 3,080

The Parish receives on-behalf payments from the State of Louisiana to be used to supplement the constable and justice of the peace pay. These payments totaled \$12,000 for the year ended December 31, 2018. Such payments are recorded as intergovernmental revenue and public safety expenses in the government-wide and general fund financial statements.

Sabine Parish Police Jury
Many, Louisiana

Notes to the Financial Statements

December 31, 2018

17. Deficit Fund Balances

The Witness Fees Fund is funded through court costs designated to pay for law enforcement officers who appear in court while off duty. Road Districts are funded through property taxes and transfers from other funds. The nonmajor Witness Fees and Road District 18 Special Revenue Funds have deficit fund balances at December 31, 2018, of \$58,412 and \$56,272, respectively.

18. Landfill Closure and Post Closure Costs

On April 29, 1994, the Sabine Parish Police Jury (the Parish) entered into a 25-year Landfill Solid Waste Management Contract (contract) with Transamerica Waste Industries, Inc. (Contractor) which transfers operation and maintenance of the Sabine Parish Landfill from the Parish to the Contractor. The contract was amended in October, 1997, to increase the royalty percentage paid to the Parish to 9 percent. This revenue is reported in the Sales Tax Fund.

The contract states that the contractor shall be solely responsible for properly closing the landfill and for all required post-closure activities and costs. Therefore, the Parish has not recognized any closure and post-closure costs relating to the operation of the Sabine Parish Landfill.

In April of 2019 the landfill solid waste management contract expired and at the time of the audit report it had not been renewed. It is management's opinion that there could be exposure for the Police Jury for a portion of the landfill's closing costs, but that the amount could not be measured at this time.

19. Subsequent Events

Management has evaluated subsequent events through June 28, 2019, which is the date the financial statements were available to be issued, and has concluded that there are no significant events requiring recognition or disclosure through that date.

Required Supplementary Information – Part II

**Sabine Parish Police Jury
Many, Louisiana**

**Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes-ad valorem	\$ 797,837	\$ 783,593	\$ 863,179	\$ 79,586
Other taxes, licenses, & interest	128,000	107,500	143,186	35,686
Intergovernmental revenues:				
Federal funds	62,000	70,500	18,145	(52,355)
State funds	1,142,985	2,128,418	2,440,833	312,415
Fees, charges, & commissions	128,100	138,100	-	(138,100)
Use of money & property	32,000	108,500	114,509	6,009
Other revenues	1,050	3,780	31,011	27,231
Total Revenues	<u>2,291,972</u>	<u>3,340,391</u>	<u>3,610,863</u>	<u>270,472</u>
EXPENDITURES				
Current:				
General government:				
Legislative	216,211	260,154	223,900	36,254
Judicial	635,458	666,480	399,541	266,939
Elections	60,063	60,569	23,111	37,458
Finance and administrative:	318,961	408,213	256,589	151,624
Other	523,753	626,916	464,771	162,145
Public safety	566,311	584,476	565,913	18,563
Culture and recreation	100	20,900	-	20,900
Health and welfare	20,300	100	13,490	(13,390)
Economic development	31,107	311,432	310,766	666
Capital outlay	-	-	122,200	(122,200)
Total Expenditures	<u>2,372,264</u>	<u>2,939,240</u>	<u>2,380,281</u>	<u>558,959</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(80,292)</u>	<u>401,151</u>	<u>1,230,582</u>	<u>829,431</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(940,200)	(881,000)	59,200
Total Other Financing Sources (Uses)	<u>-</u>	<u>(940,200)</u>	<u>(881,000)</u>	<u>59,200</u>
Net change in fund balance	<u>(80,292)</u>	<u>(539,049)</u>	<u>349,582</u>	<u>888,631</u>
Fund Balance - Beginning	<u>7,883,375</u>	<u>7,883,375</u>	<u>7,883,375</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,803,083</u>	<u>\$ 7,344,326</u>	<u>\$ 8,232,957</u>	<u>\$ 888,631</u>

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Budgetary Comparison Schedule
Transportation Fund
For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Parish transportation funds-Louisiana	\$ 325,000	\$ 295,000	\$ 343,164	\$ 48,164
Uses of money & property	2,500	8,000	11,633	3,633
Other revenues	-	200	200	-
Total Revenues	<u>327,500</u>	<u>303,200</u>	<u>354,997</u>	<u>51,797</u>
EXPENDITURES				
Current:				
Roads	2,740,595	2,955,075	2,625,377	329,698
Capital Outlay				
Total Expenditures	<u>2,740,595</u>	<u>2,955,075</u>	<u>2,776,773</u>	<u>(151,396)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,413,095)</u>	<u>(2,651,875)</u>	<u>(2,421,776)</u>	<u>230,099</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,580,000	3,080,000	3,080,000	-
Transfers out		(164,837)	(164,837)	-
Total Other Financing Sources (Uses)	<u>2,580,000</u>	<u>2,915,163</u>	<u>2,915,163</u>	<u>-</u>
Net Change in Fund Balance	166,905	263,288	493,387	230,099
Fund Balance - Beginning	504,792	504,792	504,792	-
Fund Balance - Ending	<u>\$ 671,697</u>	<u>\$ 768,080</u>	<u>\$ 998,179</u>	<u>\$ 230,099</u>

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Budgetary Comparison Schedule
Sales Tax Fund
For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes - sales tax	\$ 3,250,000	\$ 3,700,000	\$ 4,012,703	\$ 312,703
Fees, charges and commissions	116,500	116,500	137,641	21,141
Salary Reimbursement-Tax Commission	156,000	108,975	108,975	-
Uses of money & property	7,200	25,000	29,464	4,464
Other revenues	500	-	-	-
Total Revenues	<u>3,530,200</u>	<u>3,950,475</u>	<u>4,288,783</u>	<u>338,308</u>
EXPENDITURES				
Current:				
General government finance & admin	233,000	262,205	204,255	57,950
Public Works Sanitation	894,218	901,433	775,065	126,368
Capital Outlay	-	-	25,149	(25,149)
Total Expenditures	<u>1,127,218</u>	<u>1,163,638</u>	<u>1,004,469</u>	<u>159,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,402,982</u>	<u>2,786,837</u>	<u>3,284,314</u>	<u>497,477</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,580,000)	(2,580,000)	(2,580,000)	-
Total Other Financing Sources (Uses)	<u>(2,580,000)</u>	<u>(2,580,000)</u>	<u>(2,580,000)</u>	<u>-</u>
Net Change in Fund Balance	(177,018)	206,837	704,314	497,477
Fund Balance -Beginning	1,566,456	1,566,456	1,566,456	-
Fund Balance - Ending	<u>\$ 1,389,438</u>	<u>\$ 1,773,293</u>	<u>\$ 2,270,770</u>	<u>\$ 497,477</u>

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Budgetary Comparison Schedule
Road District 1 Fund
Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-ad valorem	\$ 382,955	\$ 360,609	\$ 403,730	\$ 43,121
Intergovernmental Revenues:				
Federal grants	6,430	2,991	2,991	-
State revenue sharing	9,535	8,480	8,510	30
Other state funds	-	-	-	-
Uses of Money & Property	3,500	9,000	11,703	2,703
Other Revenues	-	4,000	4,000	-
Total Revenues	<u>402,420</u>	<u>385,080</u>	<u>430,934</u>	<u>45,854</u>
EXPENDITURES				
Current:				
General government	14,200	14,292	14,366	(74)
Public Works: Roads	651,900	490,840	325,141	165,699
Capital Outlay	-	-	17,986	(17,986)
Total Expenditures	<u>666,100</u>	<u>505,132</u>	<u>357,493</u>	<u>147,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(263,680)</u>	<u>(120,052)</u>	<u>73,441</u>	<u>193,493</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	35,000	35,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(263,680)</u>	<u>(85,052)</u>	<u>108,441</u>	<u>193,493</u>
Fund Balance - Beginning	858,483	858,483	858,483	-
Fund Balance - Ending	<u>\$ 594,803</u>	<u>\$ 773,431</u>	<u>\$ 966,924</u>	<u>\$ 193,493</u>

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Budgetary Comparison Schedule
Road District 16 Fund
Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-ad valorem	\$ 105,381	\$ 112,971	\$ 114,218	\$ 1,247
Intergovernmental revenues:				
Federal grants	150,000	4,428	4,428	-
State revenue sharing	5,800	5,672	5,663	(9)
Uses of money & property	1,200	2,800	3,370	570
Total Revenues	<u>262,381</u>	<u>125,871</u>	<u>127,679</u>	<u>1,808</u>
EXPENDITURES				
Current:				
General overnment	4,050	4,159	4,175	(16)
Public Works: Roads	310,400	417,810	409,655	8,155
Capital Outlay				
	-	-	14,932	(14,932)
Debt Service:				
Principal retirement	17,500		-	-
Interest and other charges	-	-	-	-
Total Expenditures	<u>331,950</u>	<u>421,969</u>	<u>428,762</u>	<u>(6,793)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(69,569)</u>	<u>(296,098)</u>	<u>(301,083)</u>	<u>(4,985)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	199,837	199,837	-
Proceeds of Capital Lease	70,000	-	-	-
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>199,837</u>	<u>199,837</u>	<u>-</u>
Net Change in Fund Balance	431	(96,261)	(101,246)	(4,985)
Fund Balance - Beginning	121,757	121,757	121,757	-
Fund Balance - Ending	<u>\$ 122,188</u>	<u>\$ 25,496</u>	<u>\$ 20,511</u>	<u>\$ (4,985)</u>

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Budgetary Comparison Schedule
Health Unit Fund
Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes-ad valorem	\$ 173,594	\$ 170,489	\$ 187,805	\$ 17,316
Intergovernmental Revenues:				
State revenue sharing	6,523	6,349	6,360	11
Uses of money & property	8,000	25,000	31,149	6,149
Total Revenues	<u>188,117</u>	<u>201,838</u>	<u>225,314</u>	<u>23,476</u>
EXPENDITURES				
Current:				
General government	6,400	6,647	6,647	-
Health and welfare	161,125	140,917	133,119	7,798
Total Expenditures	<u>167,525</u>	<u>147,564</u>	<u>139,766</u>	<u>7,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,592</u>	<u>54,274</u>	<u>85,548</u>	<u>31,274</u>
Net Change in Fund Balance	20,592	54,274	85,548	31,274
Fund Balance - Beginning	2,041,591	2,041,591	2,041,591	-
Fund Balance - Ending	<u>\$ 2,062,183</u>	<u>\$ 2,095,865</u>	<u>\$ 2,127,139</u>	<u>\$ 31,274</u>

See the accompanying independent auditor's report and the notes to required supplementary information.

Sabine Parish Police Jury
Many, Louisiana

Budgetary Comparison Schedule
WIA Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Federal grants	\$ 1,455,000	\$ 2,347,004	\$ 2,370,474	\$ 23,470
EXPENDITURES				
Current:				
Economic Development:	1,455,000	2,347,004	2,370,474	\$ 23,470
Total expenditures	1,455,000	2,347,004	2,370,474	23,470
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	-	\$ -

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Schedule of Changes in Net OPEB Liability and Related Ratios
Year Ended December 31, 2018**

Total OPEB liability		
Service cost	\$	127,909
Interest cost		172,192
Changes in benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions		-
Benefit payments		(112,394)
Net change in total OPEB liability		<u>187,707</u>
Total OPEB liability-beginning		4,128,096
Total OPEB liability-ending	\$	<u><u>4,315,803</u></u>
Covered-employee payroll	\$	884,711
Net OPEB liability as a percentage of covered-employee payroll		487.82%

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Schedule of Employer's Share of Net Pension Liability
Year Ended December 31, 2018**

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
Parochial Employees' Retirement System (PERS)					
2018	0.25039%	\$ (185,852)	\$ 1,542,887	-12%	102.0%
2017	0.24021%	\$ 494,724	\$ 1,424,597	32%	94.1%
2016	0.25280%	\$ 665,429	\$ 1,449,428	47%	92.2%
2015	0.23655%	\$ 64,676	\$ 1,355,036	5%	99.1%
District Attorneys' Retirement System (DARS)					
2018	0.03663%	\$ 11,788	\$ -	0%	92.9%
2017	0.03748%	\$ 10,109	\$ -	0%	93.6%
2016	0.03763%	\$ 7,203	\$ 11,388	63%	95.1%
2015	0.03644%	\$ 1,963	\$ 21,375	9%	98.6%
Registrar of Voters Employees' Retirement System (ROVERS)					
2018	0.08585%	\$ 20,265	\$ 11,911	170%	80.6%
2017	0.08696%	\$ 19,089	\$ 11,911	160%	80.5%
2016	0.08671%	\$ 24,605	\$ 11,911	207%	74.0%
2015	0.08779%	\$ 21,501	\$ 11,911	181%	76.9%

*Amounts presented were determined as of the measurement date of the net pension liability

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Schedule of Employer's Pension Contributions
Year Ended December 31, 2018**

Year	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Parochial Employees' Retirement System (PERS)					
2017	\$ 175,548	\$ 175,548	\$ -	\$ 1,256,502	14.0%
2017	\$ 192,862	\$ 192,862	\$ -	\$ 1,542,887	12.5%
2016	\$ 185,198	\$ 185,198	\$ -	\$ 1,424,597	13.0%
2015	\$ 210,167	\$ 210,167	\$ -	\$ 1,449,428	14.5%
District Attorneys' Retirement System (DARS)					
2018	\$ 142	\$ 142	\$ -	\$ 11,388	1.2%
2017	\$ -	\$ -	\$ -	\$ -	0.0%
2016	\$ 399	\$ 399	\$ -	\$ 11,388	3.5%
2015	\$ 1,196	\$ 1,196	\$ -	\$ 22,775	5.3%
Registrar of Voters Employees' Retirement System (ROVERS)					
2018	\$ 2,025	\$ 2,025	\$ -	\$ 11,911	17.0%
2017	\$ 2,204	\$ 2,204	\$ -	\$ 11,911	18.5%
2016	\$ 2,531	\$ 2,531	\$ -	\$ 11,911	21.2%
2015	\$ 2,784	\$ 2,784	\$ -	\$ 17,911	24.2%

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

See the accompanying independent auditor's report and the notes to required supplementary information.

**Sabine Parish Police Jury
Many, Louisiana**

**Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
Year Ended December 31, 2018**

William Weatherford, Secretary-Treasurer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 63,251
Benefits-Insurance	32,257
Benefits-Retirement	7,274
Deferred Compensation	3,922
Car allowance	-
Per diem	-
Reimbursements	332
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$ 107,036</u>

This schedule is included as required by Louisiana R. S. 24:513(A)(3).

See the accompanying independent auditor's report..

Sabine Parish Police Jury
Many, Louisiana

Notes to Required Supplementary Information
Year Ended December 31, 2018

Budgetary Information

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budgets for the governmental funds are adopted annually on the modified accrual basis of accounting. Budgets for some capital project funds are adopted on a project-length basis. Because the budgets adopted on a project-length basis primarily serve as a management control function, no comparison between budgeted and actual amounts for major funds (if any) budgeted on this basis is provided in these financial statements.

The Louisiana Local Government Budget Act provides that “the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year”. The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

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

Louisiana Revised Statute (LSA-R.S.) 39:1311 requires the chief executive or administrative officer of the Police Jury to advise the Jury in writing when:

1. Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
2. Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
3. Actual beginning fund balance, within a fund, fails to meet estimated fund balance by five percent or more and fund balance is being used to fund current year expenditures.

The treasurer presents necessary budget amendments to the Police Jury during the year when, in his judgment, actual operations differ materially from those anticipated in the original budgets. During a regular or special meeting, the Police Jury reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of the amendments is included in the Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functional levels, the treasurer has the authority to make amendments as necessary.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budgets were amended throughout the year. The budget comparison schedules present the original adopted budgets and the final amended budgets.

Schedule of Changes in Net OPEB Liability and Related Ratios

There were no changed of benefit terms or changes in assumptions for the year ended December 31 2018.

Pension Information

The pension schedules are intended to show information for ten years. Additional years will be displayed as they become available.

Other Supplementary Information

**Sabine Parish Police Jury
Many, Louisiana**

**Other Nonmajor Governmental Funds
Year Ended December 31, 2018**

Road Districts' Maintenance Funds

The Road Districts are separate taxing districts which levy ad valorem taxes at varying millages. The revenues collected by the individual road districts can only be expended within that district.

Criminal Juror Fees Fund

The Criminal Juror Fees Fund maintains the court costs assessed and collected from criminal defendants who are convicted or plead guilty or no contest in district court. From these costs the police jury pays the compensation and mileage for jurors as required by R. S. 3049.

Criminal Court Fund

The Criminal Court Fund is a special revenue fund established by state statute to report fines and forfeitures imposed by the Eleventh Judicial District Criminal Court and District Attorney conviction fees in criminal cases. These fees are used for expenses of the criminal court of the parish.

Witness Fees Fund

The Witness Fee Fund accounts for fees collected in court proceedings to reimburse other governmental entities for the expense of off-duty law enforcement personnel to be witnesses in court.

Industrial District No. 1.

The Industrial District No. 1 Fund accounts for the accumulated balance remaining from servicing the debt on industrial development bonds.

**Sabine Parish Police Jury
Many, Louisiana**

**Combining Balance Sheet
Other Nonmajor Governmental Funds
For the Year Ended December 31, 2018**

	Special Revenue						Total
	Combined Nonmajor Road Funds	Criminal Juror Fees Fund	Criminal Court Fund	Witness Fees Fund	Industrial District No. 1	Grant Fund	
ASSETS							
Cash and cash equivalents	\$ 2,220,056	\$ 9,529	22,652	\$ -	\$ 89,276	\$ -	\$ 2,341,513
Revenue receivables	1,955,521	154	7,362	1,430	-	-	1,964,467
Prepaid expenses	3,491	-	24	-	-	-	3,515
Total Assets	<u>\$ 4,179,068</u>	<u>\$ 9,683</u>	<u>\$ 30,038</u>	<u>\$ 1,430</u>	<u>\$ 89,276</u>	<u>\$ -</u>	<u>\$ 4,309,495</u>
LIABILITIES							
Accounts payable	\$ 247,499	\$ -	\$ 8,146	\$ 650	\$ -	\$ -	\$ 256,295
Due to other funds	205,807	-	-	-	-	-	205,807
Master bank overdrafts	-	-	-	59,192	-	-	59,192
Total Liabilities	<u>\$ 453,306</u>	<u>\$ -</u>	<u>\$ 8,146</u>	<u>\$ 59,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,294</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable federal grants	\$ 39,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,404
Unavailable property taxes	93,825	-	-	-	-	-	93,825
Total Deferred Inflows of Resources	<u>\$ 133,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,229</u>
FUND BALANCES							
Nonspendable	\$ 3,491	\$ -	\$ 24	\$ -	\$ -	\$ -	\$ 3,515
Restricted to:							
Judicial	-	-	21,868	-	-	-	21,868
Roads	3,589,042	-	-	-	-	-	3,589,042
Witness and juror fees	-	9,683	-	(58,412)	-	-	(48,729)
Economic development	-	-	-	-	89,276	-	89,276
Total Fund Balances	<u>\$ 3,592,533</u>	<u>\$ 9,683</u>	<u>\$ 21,892</u>	<u>\$ (58,412)</u>	<u>\$ 89,276</u>	<u>\$ -</u>	<u>\$ 3,654,972</u>
Total Liabilities & Fund Balances	<u>\$ 4,179,068</u>	<u>\$ 9,683</u>	<u>\$ 30,038</u>	<u>\$ 1,430</u>	<u>\$ 89,276</u>	<u>\$ -</u>	<u>\$ 4,309,495</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Nonmajor Governmental Funds
For the Year Ended December 31, 2018**

	Special Revenue					Total	
	Combined Nonmajor Road Funds	Criminal Juror Fees Fund	Criminal Court Fund	Witness Fees Fund	Industrial District No. 1		Grant Fund
REVENUES							
Taxes:							
Ad valorem	\$ 1,940,423	-	-	\$ -	-	\$ -	1,940,423
Intergovernmental revenues:							
Federal grants	59,243	-	-	-	-	331,720	390,963
State funds:							
State revenue sharing	61,799	-	-	-	-	-	61,799
Fines and forfeitures	-	3,794	220,716	22,720	-	-	247,230
Investment earnings	48,490	157	-	-	1,387	-	50,034
Other revenue	7,188	-	225	-	-	-	7,413
Contributions	7,570	-	-	-	-	-	7,570
Total Revenues	<u>2,124,713</u>	<u>3,951</u>	<u>220,941</u>	<u>22,720</u>	<u>1,387</u>	<u>331,720</u>	<u>2,705,432</u>
EXPENDITURES							
Current:							
General government							
Judicial	-	5,684	234,995	21,843	-	-	262,522
Finance and administrative	-	-	-	-	-	37,405	37,405
Other general government	68,825	-	-	-	-	-	68,825
Public Works	2,008,768	-	-	-	-	-	2,008,768
Capital outlay	394,847	-	-	-	-	397,060	791,907
Debt service							
Principal	62,350	-	-	-	-	-	62,350
Interest	9,020	-	-	-	-	-	9,020
Total Expenditures	<u>2,543,810</u>	<u>5,684</u>	<u>234,995</u>	<u>21,843</u>	<u>-</u>	<u>434,465</u>	<u>3,240,797</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(419,097)</u>	<u>(1,733)</u>	<u>(14,054)</u>	<u>877</u>	<u>1,387</u>	<u>(102,745)</u>	<u>(535,365)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from issuance of debt	282,323	-	-	-	-	-	282,323
Transfers in	280,000	-	31,000	-	-	102,745	413,745
Transfers out	(102,745)	-	-	-	-	-	(102,745)
Total Other Financing Sources and Uses	<u>459,578</u>	<u>-</u>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>102,745</u>	<u>593,323</u>
Net Change in Fund Balance	40,481	(1,733)	16,946	877	1,387	-	57,958
Fund Balances - Beginning	3,552,052	11,416	4,946	(59,289)	87,889	-	3,597,014
Fund Balances - Ending (Deficit)	<u>\$ 3,592,533</u>	<u>\$ 9,683</u>	<u>\$ 21,892</u>	<u>\$ (58,412)</u>	<u>\$ 89,276</u>	<u>\$ -</u>	<u>\$ 3,654,972</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Combining Balance Sheet
Nonmajor Road District Funds
For the Year Ended December 31, 2018**

	Special Revenue								Total
	District 9	District 4	District 11	District 15	District 17	District 18	District 19	District 20	
ASSETS									
Cash and cash equivalents	\$ 194,515	\$ 503,600	\$ 777,191	\$ 169,071	\$ 176,518	\$ 5,663	\$ 354,805	\$ 38,693	\$ 2,220,056
Revenue receivables	241,153	270,889	400,825	253,148	367,776	177,096	170,302	74,332	1,955,521
Prepaid expenses	289	645	336	665	573	542	226	215	3,491
Total Assets	<u>\$ 435,957</u>	<u>\$ 775,134</u>	<u>\$ 1,178,352</u>	<u>\$ 422,884</u>	<u>\$ 544,867</u>	<u>\$ 183,301</u>	<u>\$ 525,333</u>	<u>\$ 113,240</u>	<u>\$ 4,179,068</u>
LIABILITIES									
Accounts payable	\$ 46,825	\$ 19,639	\$ 37,851	\$ 26,193	\$ 60,754	\$ 30,279	\$ 14,042	\$ 11,916	\$ 247,499
Due to other funds	-	-	-	-	-	205,807	-	-	205,807
Total Liabilities	<u>\$ 46,825</u>	<u>\$ 19,639</u>	<u>\$ 37,851</u>	<u>\$ 26,193</u>	<u>\$ 60,754</u>	<u>\$ 236,086</u>	<u>\$ 14,042</u>	<u>\$ 11,916</u>	<u>\$ 453,306</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable federal grants	\$ 39,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,404
Unavailable property taxes	13,104	3,954	9,493	39,233	19,824	3,487	3,842	888	93,825
Total Deferred Inflows of Resources	<u>\$ 52,508</u>	<u>\$ 3,954</u>	<u>\$ 9,493</u>	<u>\$ 39,233</u>	<u>\$ 19,824</u>	<u>\$ 3,487</u>	<u>\$ 3,842</u>	<u>\$ 888</u>	<u>\$ 133,229</u>
FUND BALANCES									
Nonspendable	\$ 289	\$ 645	\$ 336	\$ 665	\$ 573	\$ 542	\$ 226	\$ 215	3,491
Restricted to:									
Roads	336,335	750,896	1,130,672	356,793	463,716	(56,814)	507,223	100,221	3,589,042
Total Fund Balances	<u>\$ 336,624</u>	<u>\$ 751,541</u>	<u>\$ 1,131,008</u>	<u>\$ 357,458</u>	<u>\$ 464,289</u>	<u>\$ (56,272)</u>	<u>\$ 507,449</u>	<u>\$ 100,436</u>	<u>\$ 3,592,533</u>
Total Liabilities & Fund Balances	<u>\$ 435,957</u>	<u>\$ 775,134</u>	<u>\$ 1,178,352</u>	<u>\$ 422,884</u>	<u>\$ 544,867</u>	<u>\$ 183,301</u>	<u>\$ 525,333</u>	<u>\$ 113,240</u>	<u>\$ 4,179,068</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Road District Funds
For the Year Ended December 31, 2018**

	Special Revenue								Total
	District 9	District 4	District 11	District 15	District 17	District 18	District 19	District 20	
REVENUES									
Taxes:									
Ad valorem	\$ 248,429	\$ 269,338	\$ 404,006	\$ 230,098	\$ 361,970	\$ 180,448	\$ 169,010	\$ 77,124	\$ 1,940,423
Intergovernmental revenues:									
Federal grants	2,524	5,598	3,237	7,344	7,621	32,919	-	-	59,243
State funds:									
State revenue sharing	9,668	3,394	4,068	13,351	14,918	6,995	5,382	4,023	61,799
Investment earnings	5,991	9,723	14,227	4,060	4,604	2,814	6,136	935	48,490
Other revenue	-	3,000	1,000	-	2,000	1,188	-	-	7,188
Contributions	7,570	-	-	-	-	-	-	-	7,570
Total Revenues	<u>274,182</u>	<u>291,053</u>	<u>426,538</u>	<u>254,853</u>	<u>391,113</u>	<u>224,364</u>	<u>180,528</u>	<u>82,082</u>	<u>2,124,713</u>
EXPENDITURES									
Current:									
General government - other	8,458	9,547	14,135	8,713	13,036	6,273	6,026	2,637	68,825
Public works	378,488	226,158	342,296	150,286	315,973	405,891	116,006	73,670	2,008,768
Capital Outlays	15,932	56,524	17,986	150	184,109	100,454	150	19,542	394,847
Debt service									
Principal	-	-	-	36,686	21,920	3,744	-	-	62,350
Interest	-	-	-	2,656	5,527	837	-	-	9,020
Total Expenditures	<u>402,878</u>	<u>292,229</u>	<u>374,417</u>	<u>198,491</u>	<u>540,565</u>	<u>517,199</u>	<u>122,182</u>	<u>95,849</u>	<u>2,543,810</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(128,696)</u>	<u>(1,176)</u>	<u>52,121</u>	<u>56,362</u>	<u>(149,452)</u>	<u>(292,835)</u>	<u>58,346</u>	<u>(13,767)</u>	<u>(419,097)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from issuance of debt	-	-	-	-	182,879	99,444	-	-	282,323
Transfers in	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	280,000
Transfers out	(50,944)	-	-	(51,801)	-	-	-	-	(102,745)
Total Other Financing Sources and Uses	<u>(15,944)</u>	<u>35,000</u>	<u>35,000</u>	<u>(16,801)</u>	<u>217,879</u>	<u>134,444</u>	<u>35,000</u>	<u>35,000</u>	<u>459,578</u>
Net Change in Fund Balance	(144,640)	33,824	87,121	39,561	68,427	(158,391)	93,346	21,233	40,481
Fund Balances - Beginning	481,264	717,717	1,043,887	317,897	395,862	102,119	414,103	79,203	3,552,052
Fund Balances - Ending	<u>\$ 336,624</u>	<u>\$ 751,541</u>	<u>\$ 1,131,008</u>	<u>\$ 357,458</u>	<u>\$ 464,289</u>	<u>\$ (56,272)</u>	<u>\$ 507,449</u>	<u>\$ 100,436</u>	<u>\$ 3,592,533</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

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

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method the jurors, except for the president, receive \$800 per month for performing the duties of their office. The president of the Police Jury receives an additional \$100 each month.

Juror	District	Per Diem	Reimbursed Expenses	Total
Willes Funderburk	One	\$ 9,600	\$ 222	\$ 9,822
Mike McCormic	Two	9,600	3,673	13,273
Charlie Borwn	Three	9,600	1,840	11,440
William E. Ruffin	Four	9,600	562	10,162
Ronny Bison- President	Five	10,800	988	11,788
Eric Garcie	Six	9,600	251	9,851
Ricky Sepulvado	Seven	9,600	628	10,228
Kenneth M. Ebarb - President	Eight	9,600	1,310	10,910
Randy Byrd	Nine	9,600	206	9,806
Total		<u>\$ 87,600</u>	<u>\$ 9,680</u>	<u>\$ 97,280</u>

*The term of current police jurors expires on January 12, 2020.

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

Federal Grantor/Pass-through Grantor/Program Title	CFDA NUMBER	Federal Revenues	Federal Expenditures	Amount Provided Subrecipients
United States Department of Labor:				
WIA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	28,680	28,680	28,680
WorkForce Investment Act Cluster:				
Adult Program	17.258	856,981	856,981	856,981
Adult Administration	17.258	134,522	134,522	134,522
Transfer -Adult	17.258	18,000	18,000	18,000
Youth Program	17.259	534,558	534,558	534,558
Youth Administration	17.259	86,152	86,152	86,152
Dislocated Workers Program	17.278	547,586	547,586	547,586
Dislocated Workers Administration	17.278	163,995	163,995	163,995
Total United States Department of Labor		2,370,474	2,370,474	2,370,474
United States Department of Housing and Urban Development				
Passed through Louisiana Division of Administration				
Community Development Block Grants/ State's Program	14.228	331,720	331,720	-
Total United States Department of Health & Human Services		331,720	331,720	-
United States Department of Homeland Security				
Passed through Governor's Office of Homeland Security and Emergency Preparedness				
Emergency Management Performance Grants	97.042	57,587	57,587	-
Disaster Grants - Public Assistance	97.036	84,807	84,807	-
Total United States Department of Health and Human Services		142,394	142,394	-
Total Federal Financial Assistance		2,844,588	2,844,588	2,370,474

The notes to the schedule of expenditures of federal awards are an integral part of this statement.
See the accompanying independent auditor's report.

**Sabine Parish Police Jury
Many, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Sabine Parish Police Jury and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

OTHER REPORTS



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, Louisiana 71052

Phone: 318-872-3007

Fax: 318-872-1357

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 the Jury Members of the
Sabine Parish Police Jury

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sabine Parish Police Jury as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Sabine Parish Police Jury's basic financial statements and have issued our report thereon dated September 26, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sabine Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2018-1.

Sabine Parish Police Jury's Response to Finding

The Sabine Parish Police Jury's response to the findings was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC

June 28, 2019
Mansfield, Louisiana



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, Louisiana 71052

Phone: 318-872-3007

Fax: 318-872-1357

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

To the Jury Members of the
Sabine Parish Police Jury

Report on Compliance for Each Major Federal Program

We have audited the Sabine Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Sabine Parish Police Jury's major federal programs for the year ended December 31, 2018. The Sabine Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Sabine Parish Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 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 Sabine Parish 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 each major federal program. However, our audit does not provide a legal determination of the Sabine Parish Police Jury's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Sabine Parish 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 Sabine Parish Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sabine Parish Police Jury's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC

June 28, 2019
Mansfield, Louisiana

**Sabine Parish Police Jury
Many, Louisiana**

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

A. SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with the Uniform Guidance:

1. Since the Jury did not present all of its component units, an adverse opinion was issued for the Sabine Parish Police Jury as a reporting entity; however, an unmodified opinion was issued on the primary government financial statements of the Sabine Parish Police Jury as of and for the year ended December 31, 2018.
2. The audit disclosed no significant deficiency or material weaknesses in internal control.
3. The audit disclosed one instance of noncompliance that are required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any significant deficiencies in internal control over a major program.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit disclosed no findings related to federal awards that is required to be reported under the Uniform Guidance
7. The following program was major for the year ended December 31, 2018:
 - o Workforce Investment Act Cluster (CFDA #17.277, 17.258, 17.259, and 17.278)
8. \$750,000 was the threshold used to distinguish Type A from Type B programs.
9. The Sabine Parish Police Jury does not qualify as a low risk auditee.

B. FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*.

Internal control-None noted

Compliance

2018-1 Deficit Fund Balance--Witness Fees Fund

Criteria - Louisiana Revised Statutes require the collection of fees in order to pay off-duty law enforcement officers to be present as a witness in any criminal case. R.S. 15:255(A)(2) states "The judge shall, as the need of the special fund require, adjust the schedule of costs to insure that the proceeds are adequate to fully pay the witness fees herein provided."

Finding - For the year ended December 31, 2017, the Police Jury Witness Fee Fund has a deficit fund balance of \$58,412. This is a decrease in the deficit from the prior year of \$877..

Cause - The current fee schedule does not assess adequate funds necessary to pay witness fees.

Effect - The costs of the witness fees are not being covered by the costs collected by the courts.

Recommendation - The judge should increase the court costs in order to fund the actual costs of the witness fees and eliminate the deficit fund balance in the Witness Fees Fund.

**Sabine Parish Police Jury
Many, Louisiana**

**Status of Prior Year Findings
Year Ended December 31, 2018**

2017-1 Unsubstantiated Travel Reimbursements. Resolved

2017-2. Violation of Audit Law. Resolved

2017-2, 2016-3 2015-1. Deficit in Witness Fees Fund Unresolved See 2018-1

Ronald Bison
President

Richard M. McCormic
Vice-President

William E. Weatherford
Secretary Treasurer

OFFICE OF
SABINE PARISH POLICE JURY

400 CAPITOL ST. • ROOM 101 • MANY, LOUISIANA 71449
(318) 256-5637 • FAX (318) 256-9652 • Road Dept. (318) 256-6231

DISTRICT ONE
Willes Funderburk
708 HWY 118
Florien, LA 71429
Res. (318) 586-7267
Cell (318) 508-0223

DISTRICT TWO
Mike McCormic
414 Skylark Ln.
Many, LA 71449
Res. (318) 590-0517
Cell (832) 316-5131

DISTRICT THREE
Charlie Brown
3860 Natchitoches Hwy.
Many, LA 71449
Res. (318) 256-9379
Cell (318) 508-0280

DISTRICT FOUR
William E. Ruffin
P.O. Box 534
Many, LA 71449
(318) 256-3135

DISTRICT FIVE
"Ronny" Bison
606 Wedgeworth Road
Many, LA 71449
Res. (318) 256-2624
Cell (318) 471-3823

DISTRICT SIX
Eric Garcie
545 Garcie Road
Zwolle, LA 71486
Res. (318) 645-2514
Cell (318) 315-0705

DISTRICT SEVEN
Ricky "K-Wall" Sepulvado
P.O. Box 242
Converse, LA 71419
Res. (318) 567-3834
Cell (318) 947-2012

DISTRICT EIGHT
Kenneth M. Ebarb
P.O. Box 3
Zwolle, LA 71486
Res. (318) 645-9561
Cell (318) 581-0278

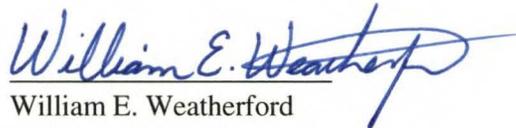
DISTRICT NINE
"Randy" Byrd
920 Sawmill Road
Belmont, LA 71406
Res. (318) 256-2107
Cell (318) 471-7853

Management's Response to Finding

The management of the Sabine Parish Police Jury offers the following response to the finding identified in the annual financial audit for the year ended December 31, 2018:

2018-1 Deficit Fund Balance

The Witness Fees Fund has reported a deficit fund balance for several years. During 2018, the district judge increased court costs to properly fund the Witness Fees Fund and alleviate the deficit. The decrease in fund deficit reported in 2018 is an indication that the court fees are now adequate to pay annual witness fees and, over time, will eliminate the fund deficit.



William E. Weatherford
Secretary Treasurer



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

Maura Dees Gardner, CPA, CFE

122 Jefferson Street

Mansfield, Louisiana 71052

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Honorable Ronnie Bison, President,
the Members of the Sabine Parish Police Jury,
William Weatherford, Secretary-Treasurer,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Sabine Parish Police Jury ("SPPJ") 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. The SPPJ's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and were not found to address the functions noted above.
 - 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.
Written policies and procedures were obtained and were not found to address the functions noted above.
 - c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and were not found to address the functions noted above.
 - 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).

Written policies and procedures were obtained and were not found to address the functions noted above.

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

Written policies and procedures were obtained and were not found to address the functions noted above.

- 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.

Written policies and procedures were obtained and were not found to address the functions noted above.

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

Written policies and procedures were obtained and were not found to address the functions noted above.

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

Written policies and procedures were obtained and were not found to address the functions noted above.

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

Written policies and procedures were obtained and were not found to address the functions noted above.

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

Written policies and procedures were obtained and were not found to address the functions noted above.

Management's Response: An additional part-time office employee has been hired to reduce the workload of the Secretary Treasurer and allow him to address preparation of formal written policies during 2019. The Secretary Treasurer is currently preparing written policies to address the areas noted and the policies will be adopted prior to the end of the 2019 fiscal year.

Board or Finance Committee

- 2. Section not tested. No prior year issue.

Bank Reconciliations

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

A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 4 additional accounts were selected for review.

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

Reconciliations were observed to have been prepared within 2 months of the corresponding bank account for all accounts reviewed. It should be noted that reconciliations reviewed did not provide cleared and uncleared transaction details to substantiate totals provided in reconciliations.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were noted as a result of this procedure.

Board/management review was not regularly observed on bank reconciliations. Review was found in several cases but was beyond 2 months of the closing of the corresponding bank statement.

- 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.

No exceptions were noted as a result of this procedure.

Management's Response: A juror who does not handle cash, post ledgers, or issue checks will review each bank reconciliation. In addition, the police jury is purchasing a new accounting software system which will provide cleared and uncleared transaction details to substantiate totals provided in reconciliations.

Collections

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

A listing of deposits sites and management's representation that the listing is complete were obtained. The only site of the entity selected for review.

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

A listing of collection locations and management's representation that the listing is complete were obtained. The one of two locations of the entity selected for review.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- 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.

No exceptions were noted as a result of this procedure.

- 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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

Three of the five bank accounts selected under procedure #3 did not have applicable collection deposits to test. Documentation was obtained for random selections from the two remaining accounts. .

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were noted as a result of this procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were noted as a result of this procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were noted as a result of this procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions were noted as a result of this procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted as a result of this procedure.

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

8. Section not tested. No prior year issue.

9. Section not tested. No prior year issue.

10. Section not tested. No prior year issue.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who

maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of all active cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards and management's representation that the listing is complete were obtained.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

No exceptions were noted as a result of this procedure.

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

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 listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete were obtained.

- 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).

All reimbursement reviewed were reimbursements for actual cost. Only two of the reimbursements reviewed included reimbursements for meals. In both cases, reimbursements for individual meals included with the reimbursement documentation exceeded the maximum allowable rate for the particular meal under the State of Louisiana Travel Guide. In one case, it was unclear based on provided documentation as to whether a reimbursement was eligible for reimbursement under LA Travel Guide, given the times of travel.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

One meal reimbursement reviewed did not include an itemized receipt.

- 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).

All meal reimbursement documentation reviewed indicated that two travelers were participating in the meal. The second traveler was never identified in the reviewed reimbursements. In one set of reimbursements, the receipt total is divided by two in arriving at the reimbursement amount. In a second set, individual items were highlighted for reimbursement with tax and gratuity divided by two. One reimbursement reviewed included a reimbursement for alcoholic beverages.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted as a result of this procedure.

Management's Response: The police jury is currently developing a new written travel policy that will address the issues noted.

(b) The police jury requires an itemized receipt for meal reimbursement. The accounts payable staff will be reminded of this requirement and all future meal reimbursements will be supported by an itemized receipt.

(c) Accounts payable staff will be reminded to reimburse only those meal costs that are identified as applicable to police jurors or employees with the tax properly allocated by cost.

The -police jury does not reimburse the cost of alcoholic beverages. The reimbursement noted was an error due to the unclear identification of the beer on the receipt.

Contracts

15. Section not tested. No prior year issue.

Payroll and Personnel

16. Section not tested. No prior year issue.

17. Section not tested. No prior year issue.

18. Section not tested. No prior year issue.

19. Section not tested. No prior year issue.

Ethics

20. Section not tested. No prior year issue.

Debt Service

21. Section not tested. No prior year issue.

22. Section not tested. No prior year issue.

Other

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

Management did not report any misappropriations of public funds and assets during the fiscal period.

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

No exceptions were noted as a result of this procedure.

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.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, LA
June 28, 2019